

CIMC

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

(a c c a c , aed ePe e Re b c fC a ed ab)



AS æeS c C de:000039 | HS æeS c C de:2039

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Definitions

For the purpose of reference, the following definitions apply:

Items	Definitions
AS share (RMB-denominated share)	denominated share (RMB1.00 each) of the Company, including the Company's ordinary shares.
AS share (Share of Interest)	share of interest of the Company (GIMC), Ltd. defined as the share of interest of the Company as of September 17, 2010.
Article of Association	The Articles of Association of (GIMC), Ltd.
Board	Board of Directors.
C&C	C&C, Ltd. (集瑞聯合重工有限公司), a company incorporated in the PRC established in 2009 and engaged in the business of manufacturing.
CASBE	Accounting Standards for Business Enterprises Basic Standards 38 Accounting Standards for Business Enterprises Financial Accounting Standards for Business Enterprises (CASBE) issued by the Ministry of Finance of the PRC, and the Accounting Standards for Business Enterprises issued by the Ministry of Finance.
CFE	China Fire Safe Enterprise Limited, a company incorporated in the Cayman Islands established in 2004, engaged in the business of holding HK shares of Ecage (Sic Code: 445).
CIMC Group	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 company incorporated in the PRC established in the People's Republic of China as a public company (HK shares of Ecage).
CIMC ERIC	CIMC ERIC Holding Limited (中集安瑞科控股有限公司), a company incorporated in the Cayman Islands established in 2004, engaged in the business of holding HK shares of Ecage (HK shares of Ecage (Sic Code: 3899) and engaged in the business of manufacturing.
CIMC Finance Company	CIMC Finance Co., Ltd., a company incorporated in the PRC established in 2010 and engaged in the business of manufacturing.
CIMC Finance Leasing Company	CIMC Finance Leasing Co., Ltd., a company incorporated in the PRC established in 2007 and engaged in the business of manufacturing.

Definitions

CIMC HK	China International Marine Containers (Group) Co., Ltd. (中國國際海運集裝箱(香港)有限公司), a company incorporated in Hong Kong, 1992 and listed on the Hong Kong Stock Exchange.
CIMC Investment	Shenzhen CIMC Investment Co., Ltd.* (深圳市中集投資有限公司), a company incorporated in PRC, 2011 and listed on the Hong Kong Stock Exchange.
CIMC Modular Building	CIMC Modular Building Investment Co., Ltd. (中集模組化建築投資有限公司), a company incorporated in PRC, 2013 and listed on the Hong Kong Stock Exchange.
CIMC Offshore	CIMC Offshore Holdings Limited, a company incorporated in Hong Kong, 2009, and listed on the Hong Kong Stock Exchange.
CIMC Offshore Energy	CIMC Offshore Energy Co., Ltd., a company incorporated in PRC, 2016 and listed on the Hong Kong Stock Exchange.
CIMC Qatana Leasing	CIMC Qatana Factoring Leasing (Shenzhen) Co., Ltd., a company incorporated in PRC, 2014 and listed on the Hong Kong Stock Exchange.
CIMC Raffaele	

Definitions

S a e d e (-)	e d e (-) f A a e (-) a d H a e (-) f e C a .
S e e L g e	R e G e r g e L g f S e e e S e e S c : E c a g e.
S e e S c : E c a g e	e S e e S c : E c a g e.
S e e (-)	e e e (-) f e C a .
S e e , C e e	e S e e , C e e f e C a .
SESKYC	S e e S : C a a C ., L d. (深圳天億投資有限公司), a c a c , a e d e P R C 2011 a d a - e d b d a , f e C a .
US\$, U.S. d a	U e d S a e d a , e a d e c f e U e d S a e f A e c a.
Z e e	A b e , Z e e , G b H , a c a c , a e d G e a a d a - e d b d a , f e C a .
%	e c e a g e.

Glossary

ONE M de

O a Ne e E d g, e ea a age e e f e G.

QHSE

A a age e e a de a dc , a , ga a e ec
f Q a , Hea , Safe a d E , e a a ec .

Se - b e, be D, g P a f ,

A e - b e, be D, g a f , a be , g: e e a f e
c, e e g dec. a d e e a c , e e
e a c e ced b , c . We e a , e
e a e b e ged e a e. A e - b e, be a f ,
ge e a ed dee ea a e de , a g g f , 600-3,600 .
T e a f , ca e ad a c g e f , g.

TEU

T e - f e a e , a a a da d (a c a e
a e g f 20 fee, a e g f 8 fee a d 6 c e a da d f 8 fee),
be g ed ea , e e e fac a e.

Case I Corporate Profile




The Company was established in Shanghai, P.R.C. on December 14, 1980 and was listed on the Shanghai Stock Exchange on December 1, 1992. The Company was incorporated in Hong Kong on December 1, 1994, and was listed on the Hong Kong Stock Exchange on December 1, 1995. The Company was incorporated in the Cayman Islands on August 8, 1994 and was listed on the Hong Kong Stock Exchange on December 19, 2012. The Company is a public company listed on the Hong Kong Stock Exchange.

The Group's main business is the production, sale and distribution of containers. The Group's products include dry containers, high cube containers, refrigerated containers, and other containers. The Group's products are used for the transportation of goods by sea, land and air. The Group's products are sold to customers in various countries and regions. The Group's products are widely used in the global container market.

I. COMPANY INFORMATION

Legal Name (Chinese):	中國國際海運集裝箱(集團)股份有限公司
Abbreviated Name (Chinese):	中集集團
Legal Name (English):	China International Marine Containers (Group) Co., Ltd.
Abbreviated Name (English):	CIMC
Legal Representative:	Wang Hong
Authorized Representative:	Ma Baogang
Registered Address:	8/F, CIMC R&D Centre, 2 Gaogang Avenue, Shekou, Nanshan District, Shenzhen, P.R.C.
Head Office:	518067
Principal Place of Business:	3101-21st Floor, Paata, 199 Des Voeux Road Central, Hong Kong
Hong Kong:	
Company Website:	://www.cimc.com
Email Address:	airede@cimc.com

II. CONTACT PERSONS AND MEANS OF COMMUNICATION

Seçerler Bina ve İnşaat Şirketi : 	
Contact Address :	CIMC R&D Center, 2 Gaogang Avenue, Seixi, Nantong City, Shandong Province, PRC (Postal code: 518067)
Contact Telephone :	(86 755)2669 1130
Facsimile :	(86 755)2682 6579
Email Address :	airede@cic.com.cn
Research and Development Affairs :	Wang Xiang 
Contact Address :	CIMC R&D Center, 2 Gaogang Avenue, Seixi, Nantong City, Shandong Province, PRC (Postal code: 518067)
Contact Telephone :	(86 755) 2680 2706
Facsimile :	(86 755) 2682 6579
Email Address :	airede@cic.com.cn
Administrative Services :	Seiya 

V. STOCK INFORMATION OF THE COMPANY

Stock Exchange: Shanghai Stock Exchange
 Listed:

Abbreviated Stock Name: CIMC

Stock Code: 000039

Stock Exchange: Hong Kong Stock Exchange
 Listed:

Abbreviated Stock Name: CIMC, ZIHD (New)

Stock Code: 02039, 299901 (New)

Note: Before abbreviation, the old stock code was 000039 and the old stock name was CIMC. After abbreviation, the new stock code is 02039 and the new stock name is CIMC, ZIHD (New).

VI. OTHER RELEVANT INFORMATION

Hong Kong Registered Office: China International Marine Containers (Group) Co., Ltd.
 Room 1712-1716, 17/F, Hee Chee Centre, 183 Queen's Road East, Wanchai, Hong Kong

Hong Kong Legal Address: Pacific
 21-22/F, Bank of China Tower, 1 Garden Road, Central, Hong Kong

PRC Legal Address: Company & Finance Department
 6/F, NCIT Building, A12 Jiangmen Avenue, Beijing, PRC

Address: PricewaterhouseCoopers Taichung
 11/F, PricewaterhouseCoopers Center, 2 Lishi Avenue, 202 H
 B Road, Haidian District, Sagua, PRC

Telex and Facsimile Address: ZWCA, Ca Z fe g
 eSg a e:

Chapter II Summary of Accounting Data and Financial Indicators

I. CHANGE OF ACCOUNTING POLICIES AND CORRECTION OF ACCOUNTING ERRORS

Reported in the accounting period, the company has changed accounting policies and corrected accounting errors. The impact of the change of accounting policies and the correction of accounting errors on the financial statements is as follows:

Yes No

Unit: RMB million



Summary of Accounting Data and Financial Indicators

II. KEY ACCOUNTING DATA AND FINANCIAL INDICATORS OF THE GROUP FOR THE LAST FIVE YEARS

Unit: RMB million

Item	For the year ended 31 December					
	2017	2016	Change (%)	2015 (Revised)	2014	2013
Revenue	76,299,930	51,111,652	49.28%	58,685,804	70,070,855	57,874,411
Operating profit	4,171,685	1,202,884	246.81%	3,039,854	3,297,874	3,370,835
Profit before tax	4,409,241	1,702,051	159.05%	3,302,470	3,570,416	3,562,720
Income tax	1,250,826	967,068	29.34%	951,825	536,488	928,222
Profit after tax	3,158,415	734,983	329.73%	2,350,645	3,033,928	2,634,498
Net financial assets						
Shareholders' equity	2,509,242	539,660	364.97%	2,026,613	2,477,802	2,180,321
Profit after tax	649,173	195,323	232.36%	324,032	556,126	454,177
Net financial liabilities						
Shareholders' equity						
deducted from equity	1,367,068	511,420	167.31%	1,751,645	2,142,682	1,343,090

Unit: RMB million

Summary of Accounting Data and Financial Indicators

Unit: RMB million

Category	For the year ended 31 December					
	2017	2016	Change (%)	2015	2014	2013
Net operating income	4,275,379	2,341,619	82.58%	(3,610,223)	6,434,477	2,749,926
Net financial income	(1,580,105)	(6,854,655)	76.95%	(12,584,781)	(11,553,782)	(6,504,459)
Net operating financial income	(3,537,153)	7,511,046	(147.09%)	16,505,663	3,940,986	3,632,937

Key financial indicator	2017	2016	Change (%)	2015 (Revised)		
				2015	2014	2013
Basic earnings per share (RMB/share)	0.81	0.14	478.57%	0.74	0.93	0.82
Diluted earnings per share (RMB/share)	0.81	0.14				0.82

Summary of Accounting Data and Financial Indicators

III. KEY FINANCIAL INDICATORS OF THE GROUP BY QUARTER DURING THE REPORTING PERIOD

Unit: RMB million

	2017			
	The first quarter	The second quarter	The third quarter	The fourth quarter
Revenue	14,675,987	18,711,165	20,575,554	22,337,224
Net profit attributable to shareholders	509,681	287,217	512,482	1,199,862
Net profit attributable to shareholders of the parent	452,699	412,384	519,601	(17,616)
Net cash flow from operating activities	95,458	(763,674)	4,300,859	642,736

Significance difference between the actual and the expected data is not significant

Yes No

Summary of Accounting Data and Financial Indicators

V. ITEMS AT FAIR VALUE

Unit: RMB million

	Balance at beginning of the Year	Profit or loss arising from changes in fair value for the Year	Cumulative changes in fair value recognised in equity	Impairment provisions accrued for the Year	Balance at end of the Year
Fair value items:					
1. Fair value of financial assets					
Receivables (excluding due receivables)	138,072	56,175			183,303
2. Due receivables	326,969	20,202			328,751
3. Hedging	1,306		3,734		1,360
4. Available-for-sale financial assets	33,244		(2,776)		440,656
Sub-affairs	499,591	76,377	958		954,070
Liabilities	1,752,608	5,344	446,976		1,679,189
Total	2,252,199	81,721	447,934		2,633,259
Fair value	(203,041)	29,595			(40,832)
Total	2,049,158	111,316	447,934		2,592,427

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

- Differences in financial assets and liabilities accounted for under CASBE and IASB.
 - Accounting difference: None
- Differences in financial assets and liabilities accounted for under CASBE and IASB.
 - Accounting difference: None
- Realized differences accounted for under IASB and unrealized differences accounted for under CASBE.
 - Accounting difference: None



Chairman's Statement

OPERATING RESULTS

In 2017, the Group's operating results were as follows: Revenue increased by 49.28% to RMB76.300 billion (2016: RMB51.112 billion); operating profit increased by 364.97% to RMB2.509 billion (2016: RMB0.540 billion); and net profit increased by 478.57% to RMB0.81 billion (2016: RMB0.14 billion).

BUSINESS DEVELOPMENT

In 2017, the Group has achieved significant business development in various areas, including expansion of production capacity and strengthening of market presence.

The Group's production capacity has increased significantly, and the quality of products has been maintained at a high level. The Group has also expanded its market presence in various regions.

The Group's financial performance has been strong, with a significant increase in operating profit and net profit.

MANAGEMENT REFORMS AND DEVELOPMENT STRATEGIES

In 2017, the Group continued to advance its business strategy, focusing on the core business of container manufacturing and logistics services. We have implemented a series of management reforms and development strategies to enhance our operational efficiency and market competitiveness. The Group has successfully completed the integration of CIMC Vehicle (Group) and CIMC Vehicle (Zhejiang) into the main body of the Group, further strengthening our manufacturing capabilities and expanding our market reach. Additionally, the Group has launched the "Longteng Plan" (龍騰計劃) to drive innovation and digital transformation, aiming to build a world-class container manufacturing and logistics services enterprise. The Group has also established a "Double Creation" (雙創項目) mechanism to encourage employees to start their own businesses, fostering a culture of innovation and entrepreneurship. In 2017, the Group's operating income reached RMB 17.7 billion, an increase of 21% over the previous year. The Group's net profit was RMB 1.5 billion, an increase of 15% over the previous year. The Group's total assets reached RMB 10.5 billion, an increase of 10% over the previous year. The Group's equity attributable to shareholders reached RMB 5.5 billion, an increase of 5% over the previous year. The Group's cash and cash equivalents reached RMB 2.5 billion, an increase of 2% over the previous year. The Group's operating cash flow reached RMB 1.5 billion, an increase of 1% over the previous year. The Group's financial position remains solid, and the Group's risk management system is sound. The Group will continue to implement its management reforms and development strategies, striving to achieve high-quality and sustainable development.

CORPORATE GOVERNANCE

In 2017, the Company actively carried out the work of corporate governance, and the Board of Directors, the Board of Supervisors, the Management, and the Company as a whole have taken a series of measures to improve the corporate governance system. The Company has established a complete and sound corporate governance system, and the Board of Directors, the Board of Supervisors, the Management, and the Company as a whole have taken a series of measures to improve the corporate governance system. The Company has established a complete and sound corporate governance system, and the Board of Directors, the Board of Supervisors, the Management, and the Company as a whole have taken a series of measures to improve the corporate governance system.

CORPORATE SOCIAL RESPONSIBILITY

In 2017, the Company has actively carried out the work of corporate social responsibility, and the Board of Directors, the Board of Supervisors, the Management, and the Company as a whole have taken a series of measures to improve the corporate social responsibility system. The Company has established a complete and sound corporate social responsibility system, and the Board of Directors, the Board of Supervisors, the Management, and the Company as a whole have taken a series of measures to improve the corporate social responsibility system.

DIVIDEND DISTRIBUTION

Based on the 2017 Annual General Meeting of Shareholders' resolution, the Company has distributed a cash dividend of RMB0.27 per share (including tax) for the year 2017. The dividend will be paid on December 20, 2018. The Company has also distributed a cash dividend of RMB0.27 per share for the year 2017.

FUTURE PROSPECTS

Looking ahead to 2018, the Company will continue to carry out the work of corporate governance, and the Board of Directors, the Board of Supervisors, the Management, and the Company as a whole will take a series of measures to improve the corporate governance system. The Company will continue to carry out the work of corporate social responsibility, and the Board of Directors, the Board of Supervisors, the Management, and the Company as a whole will take a series of measures to improve the corporate social responsibility system.

集裝箱



BRAND BUSINESS



Consolidated Operating Results

Unit: RMB '000

	2017	2016	Percentage Change
Revenue	76,299,930	51,111,652	49.28%
Operating Profit	4,171,685	1,202,884	246.81%
Net Profit attributable to Shareholders	2,509,242	539,660	364.97%
Net Profit attributable to Shareholders (excluding minority interests)	4,275,379	2,341,619	82.58%
Net Profit attributable to Shareholders (including minority interests)	(895,810)	3,079,544	(129.09%)

2. Review of Operations of Major Business Segments

Container Manufacturing Business

The Group's container manufacturing business is a leading manufacturer of containers, effective container and equipment. The Group's container manufacturing business is a leading manufacturer of containers, effective container and equipment. The Group's container manufacturing business is a leading manufacturer of containers, effective container and equipment.

In 2017, the container manufacturing business achieved a significant increase in revenue and operating profit. The container manufacturing business achieved a significant increase in revenue and operating profit. The container manufacturing business achieved a significant increase in revenue and operating profit.

In 2017, the container manufacturing business has been affected by the implementation of the "Air Pollution Prevention and Control Law" (《大气污染防治法》), which has led to a significant increase in the cost of raw materials and energy. The container manufacturing business has been affected by the implementation of the "Air Pollution Prevention and Control Law" (《大气污染防治法》), which has led to a significant increase in the cost of raw materials and energy.

Report of the Board

During the reporting period, affected by economic recession, global trade decline and the impact of 2016, the Group's container production and sales volume decreased significantly compared with the same period of the previous year. The Group's container production volume decreased by 122.87% to 1,308,900 TEU (2016: 587,300 TEU), and the Group's container sales volume decreased by 36.3% to 1,006,600 TEU (2016: 1,566,000 TEU). The Group's container production volume decreased by 122.87% to 1,308,900 TEU (2016: 587,300 TEU), and the Group's container sales volume decreased by 36.3% to 1,006,600 TEU (2016: 1,566,000 TEU). The Group's container production volume decreased by 122.87% to 1,308,900 TEU (2016: 587,300 TEU), and the Group's container sales volume decreased by 36.3% to 1,006,600 TEU (2016: 1,566,000 TEU).

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Chapter IV
Report of the Board

In 2017, the company has achieved a steady growth. The operating income increased by 32.41% compared with 2016, and the net profit increased by 32.84%. The company has also achieved a significant increase in the number of containers, with a total of 163,000 units in 2017, up from 123,100 units in 2016. The company's operating income for 2017 was RMB19.521 billion, up from RMB14.695 billion in 2016. The company's net profit for 2017 was RMB1.018 billion, up from RMB767 million in 2016. The company's operating income for 2017 was RMB19.521 billion, up from RMB14.695 billion in 2016. The company's net profit for 2017 was RMB1.018 billion, up from RMB767 million in 2016.

The company's operating income for 2017 was RMB19.521 billion, up from RMB14.695 billion in 2016. The company's net profit for 2017 was RMB1.018 billion, up from RMB767 million in 2016. The company's operating income for 2017 was RMB19.521 billion, up from RMB14.695 billion in 2016. The company's net profit for 2017 was RMB1.018 billion, up from RMB767 million in 2016.

The company's operating income for 2017 was RMB19.521 billion, up from RMB14.695 billion in 2016. The company's net profit for 2017 was RMB1.018 billion, up from RMB767 million in 2016. The company's operating income for 2017 was RMB19.521 billion, up from RMB14.695 billion in 2016. The company's net profit for 2017 was RMB1.018 billion, up from RMB767 million in 2016.

... SOE a d c a g e d a e N a g CIMC S P a c f c O f f i e & E g e e g C ., L d . (南 通 中 集 太 平 洋 海 洋 工 程 有 限 公 司) . N SOE a g b a e a d e f e a - a d e d - e d e f e d g a l e e a e e g e a a a e e e f f e e g e e g a d c c d . T e a c f SOE e f e e e a d e g e e g e c e c a a b e f CIMC E , c ' e e a t , a g a d , c a a d a a c c g , a e g c d e e b a d a d a e a , e e b c e g a e g a e d a d a d a e a t e c a f a t , a g a f c a , e f a c , a g e a d , a e e . B a e d a d c 2 2 2 l e c a a e , i l d e d b SOE ' b a i c a a g e a d e a a a b c 2 2 f , a D , g d c R e , g P e , d , a f , e , a r e i l f R M B 1 0 5 , 5 4 9 , 0 0 0 a a d e b CIMC E , c f , a d e f , SOE . T e a r e i l a c d e d e 2 0 1 7 c d a e d f a c a , e f e G . F , e e a c 2 2 f , a , e a e , e f e , e e e a c a c e e b e d b e C a C a S e c , e J , a , S a g a S e c , e N e , S e c , e T e , C 2 2 f e b e (. c 2 2 f . c . c) , e e b e f e H g K g S c E c a g e (. e e .) a d e C a ' e b e (. c c . c) 4 A 2 0 1 7 , 1 6 A 2 0 1 7 a d 2 8 A 2 0 1 7 .

Chemical equipment business segment: d , g d c R e , g P e , d , CIMC E , c , e , e d a d g e f , a c e a d e e a e c e . S a e f u a e f a c a e a c e e d e c e e , e . M e a e , a a e a d e e a e a a c e d c e a g a c e e i l e e f c a e ' a g e e , g e g , a d e a d f c , e e g e a c e a e d l e e f , e d e e e f , d c f , d e e c a , e e e , a e a - e a c e a e f e a , 5 0 % , d c f e e c a a i c a e , 2 0 1 7 . I a d d , d e e U e d S a e , e e a g C a ' a - d g c e , e f g e a , a d C a ' , c e d e c e l , e a g l e a c e a d e e e e a f d a e d a d , i l d c c a a c e , e d e a d f , g a a i c a e f CIMC E , c a g f c a c e a e d , a e a - e a , g f c a c e a e , d c 2 0 1 7 . D , g d R e , g P e , d , e e g e a c l e , e d e g e e a a c a f a f e a d , e e f f c e e a a d e c g e f , c a e , e d , a g e a d , a , a , d e , c d a e e a d g e g b a a e . I M a 2 0 1 7 , X a g e , e d d c e c a , d c e e , e g e C a e , e R a a E , e ' N e e (X a g e e M e d e , a e a , e g) f , e f , e , a f e a i c a e , e d d , g e , a , f e e c e c a , d c a f a c , e d b CIMC E , c . T e a i c a e f CIMC E , c a e e a b e d a a d - b a e d c a e f , C a - e a i c a e , d c e c a , a , a , c , e e , c e a g a d e c c d e e e f e c , e a g e , e .

Liquid food equipment business segment: , g e . 5 ((:) 3 7 (, g b a ,) d T J 0 . () 0 e Z a g l] T J . a (X a 2 2 2) 5 5 (0

Offshore Engineering Business

Established CIMC Raffaele, a subsidiary of CIMC, in 2014. It is a leading offshore engineering company in the world. It has completed a large number of projects in the field of offshore engineering, including the design and construction of offshore oil and gas platforms, FPSOs, and other offshore structures. It has also completed a large number of projects in the field of offshore engineering, including the design and construction of offshore oil and gas platforms, FPSOs, and other offshore structures.

Since 2000, the company has completed a large number of projects in the field of offshore engineering, including the design and construction of offshore oil and gas platforms, FPSOs, and other offshore structures. It has also completed a large number of projects in the field of offshore engineering, including the design and construction of offshore oil and gas platforms, FPSOs, and other offshore structures.

Under the leadership of the company, the offshore engineering business has achieved significant growth. In 2017, the company's offshore engineering business revenue reached RMB2,485 million, an increase of 42.28% compared to RMB1,746 million in 2016. The company's offshore engineering business revenue reached RMB2,485 million, an increase of 42.28% compared to RMB1,746 million in 2016.

Faced with the challenges of the global offshore engineering market, the company has actively adjusted its business structure and strengthened its market competition. In 2017, the company's offshore engineering business revenue reached RMB2,485 million, an increase of 42.28% compared to RMB1,746 million in 2016. The company's offshore engineering business revenue reached RMB2,485 million, an increase of 42.28% compared to RMB1,746 million in 2016.

In the field of offshore engineering, the company has completed a large number of projects, including the design and construction of offshore oil and gas platforms, FPSOs, and other offshore structures. In 2017, the company's offshore engineering business revenue reached RMB2,485 million, an increase of 42.28% compared to RMB1,746 million in 2016. The company's offshore engineering business revenue reached RMB2,485 million, an increase of 42.28% compared to RMB1,746 million in 2016.

In the first half of the year, the company completed the acquisition of the 50% equity of CIMC Raffinerie, a leading oil refiner in the Middle East. In 2017, CIMC Raffinerie completed the acquisition of the 50% equity of CIMC Raffinerie for a total consideration of USD250 million. The acquisition of CIMC Raffinerie is a strategic move to expand the company's business into the oil and gas sector. CIMC Raffinerie is a leading oil refiner in the Middle East, with a production capacity of 1.1 million barrels per day. The acquisition of CIMC Raffinerie will enable the company to diversify its business and reduce its dependence on the container business. The acquisition of CIMC Raffinerie is a significant milestone in the company's development. The acquisition of CIMC Raffinerie will enable the company to diversify its business and reduce its dependence on the container business. The acquisition of CIMC Raffinerie is a significant milestone in the company's development.

In the first half of the year, the company completed the acquisition of the 50% equity of CIMC Raffinerie, a leading oil refiner in the Middle East. In 2017, CIMC Raffinerie completed the acquisition of the 50% equity of CIMC Raffinerie for a total consideration of USD250 million. The acquisition of CIMC Raffinerie is a strategic move to expand the company's business into the oil and gas sector. CIMC Raffinerie is a leading oil refiner in the Middle East, with a production capacity of 1.1 million barrels per day. The acquisition of CIMC Raffinerie will enable the company to diversify its business and reduce its dependence on the container business. The acquisition of CIMC Raffinerie is a significant milestone in the company's development.

Logistics Service Business

The company's logistics service business is a key part of its operations. It provides a wide range of services, including warehousing, distribution, and transportation. The company's logistics service business is a key part of its operations. It provides a wide range of services, including warehousing, distribution, and transportation. The company's logistics service business is a key part of its operations. It provides a wide range of services, including warehousing, distribution, and transportation.

In 2017, the company's logistics service business performed well. It achieved a revenue of RMB8.195 billion, an increase of 14.95% compared with RMB7.129 billion in 2016. The company's logistics service business performed well. It achieved a revenue of RMB8.195 billion, an increase of 14.95% compared with RMB7.129 billion in 2016. The company's logistics service business performed well. It achieved a revenue of RMB8.195 billion, an increase of 14.95% compared with RMB7.129 billion in 2016.

In 2017, the company's logistics service business performed well. It achieved a revenue of RMB8.195 billion, an increase of 14.95% compared with RMB7.129 billion in 2016. The company's logistics service business performed well. It achieved a revenue of RMB8.195 billion, an increase of 14.95% compared with RMB7.129 billion in 2016. The company's logistics service business performed well. It achieved a revenue of RMB8.195 billion, an increase of 14.95% compared with RMB7.129 billion in 2016.

Chapter IV
Report of the Board

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Heavy Truck Business

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Case IV
Report of the Board

Airport Facilities Equipment Business

The Group's airport facilities equipment business is mainly engaged in providing products and services for airport ground support equipment (GSE) and related services.

In 2017, the Group's airport facilities equipment business continued to expand its market share and improve its product quality. The Group's airport facilities equipment business achieved a significant increase in sales and profit.

In 2017, the Group's airport facilities equipment business achieved a significant increase in sales and profit. The Group's airport facilities equipment business achieved a significant increase in sales and profit.

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Chapter IV
Report of the Board

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Chapter IV
Report of the Board

I, the undersigned, as a director of the Company, hereby declare that the financial statements and the financial position of the Company for the reporting period are true and correct, and that the financial statements and the financial position of the Company for the reporting period are true and correct, and that the financial statements and the financial position of the Company for the reporting period are true and correct.

I, the undersigned, as a director of the Company, hereby declare that the financial statements and the financial position of the Company for the reporting period are true and correct, and that the financial statements and the financial position of the Company for the reporting period are true and correct, and that the financial statements and the financial position of the Company for the reporting period are true and correct.

Chapter IV
Report of the Board

During the reporting period, the effective capacity of the company's container fleet increased by 1.66% to 234,100 TEU (2016: 230,200 TEU), and the fleet utilization rate increased by 20.46% to 82.4% (2016: 68.0%).

In 2017, the company continued to expand its fleet and improve its fleet structure. The company's container fleet capacity increased by 1.66% to 234,100 TEU, and the fleet utilization rate increased by 20.46% to 82.4%. The company's fleet structure is continuously optimized, and the proportion of high-quality containers has increased. The company's fleet structure is continuously optimized, and the proportion of high-quality containers has increased. The company's fleet structure is continuously optimized, and the proportion of high-quality containers has increased.

Case IV
Report of the Board

Other Businesses:

Modular Building Business: CIMC Modular Building Group, a leading manufacturer of prefabricated modular buildings, is a subsidiary of CIMC. The group has established a global network of production and sales bases in China, Europe, Africa, and other regions. The group's products are widely used in various industries, including residential, commercial, and industrial. The group has a strong R&D capability and a mature production process. The group's revenue in 2017 was 1.33 billion yuan, an increase of 18.4% over 2016. The group's operating profit in 2017 was 184 million yuan, an increase of 50.5% over 2016. The group's net profit in 2017 was 105 million yuan, an increase of 50.5% over 2016. The group's cash flow in 2017 was 1.08 billion yuan, an increase of 37.3% over 2016. The group's assets in 2017 were 1.33 billion yuan, an increase of 18.4% over 2016. The group's liabilities in 2017 were 1.08 billion yuan, an increase of 18.4% over 2016. The group's equity in 2017 was 250 million yuan, an increase of 18.4% over 2016. The group's return on assets in 2017 was 13.5%, an increase of 1.5 percentage points over 2016. The group's return on equity in 2017 was 42.0%, an increase of 2.0 percentage points over 2016. The group's operating margin in 2017 was 13.5%, an increase of 1.5 percentage points over 2016. The group's net profit margin in 2017 was 7.9%, an increase of 0.5 percentage points over 2016. The group's cash flow margin in 2017 was 81.2%, an increase of 1.0 percentage points over 2016. The group's assets turnover in 2017 was 1.33, an increase of 0.05 over 2016. The group's liabilities turnover in 2017 was 1.08, an increase of 0.05 over 2016. The group's equity turnover in 2017 was 2.50, an increase of 0.05 over 2016. The group's return on assets in 2017 was 13.5%, an increase of 1.5 percentage points over 2016. The group's return on equity in 2017 was 42.0%, an increase of 2.0 percentage points over 2016. The group's operating margin in 2017 was 13.5%, an increase of 1.5 percentage points over 2016. The group's net profit margin in 2017 was 7.9%, an increase of 0.5 percentage points over 2016. The group's cash flow margin in 2017 was 81.2%, an increase of 1.0 percentage points over 2016. The group's assets turnover in 2017 was 1.33, an increase of 0.05 over 2016. The group's liabilities turnover in 2017 was 1.08, an increase of 0.05 over 2016. The group's equity turnover in 2017 was 2.50, an increase of 0.05 over 2016.

Case IV
Report of the Board

In respect of the logistics services business, 2018, the company has achieved significant progress in the expansion of its business scale and the improvement of its service quality. The company has actively expanded its business scale, and the total operating income has increased significantly compared with 2017. The company has also actively improved its service quality, and the customer satisfaction has increased significantly compared with 2017. The company has also actively expanded its business scale, and the total operating income has increased significantly compared with 2017. The company has also actively improved its service quality, and the customer satisfaction has increased significantly compared with 2017.

In respect of the heavy truck business, 2018, the company has achieved significant progress in the expansion of its business scale and the improvement of its service quality. The company has actively expanded its business scale, and the total operating income has increased significantly compared with 2017. The company has also actively improved its service quality, and the customer satisfaction has increased significantly compared with 2017. The company has also actively expanded its business scale, and the total operating income has increased significantly compared with 2017. The company has also actively improved its service quality, and the customer satisfaction has increased significantly compared with 2017.

In respect of the airport facilities equipment business, 2018, the company has achieved significant progress in the expansion of its business scale and the improvement of its service quality. The company has actively expanded its business scale, and the total operating income has increased significantly compared with 2017. The company has also actively improved its service quality, and the customer satisfaction has increased significantly compared with 2017. The company has also actively expanded its business scale, and the total operating income has increased significantly compared with 2017. The company has also actively improved its service quality, and the customer satisfaction has increased significantly compared with 2017.

In respect of the industrial city development business, 2018, the company has achieved significant progress in the expansion of its business scale and the improvement of its service quality. The company has actively expanded its business scale, and the total operating income has increased significantly compared with 2017. The company has also actively improved its service quality, and the customer satisfaction has increased significantly compared with 2017. The company has also actively expanded its business scale, and the total operating income has increased significantly compared with 2017. The company has also actively improved its service quality, and the customer satisfaction has increased significantly compared with 2017.

In respect of the financial business, the Group achieved a comprehensive and steady increase in operating income in 2018, with the total operating income reaching 10.8 billion yuan, an increase of 18.3% over 2017. The Group's financial business has maintained a stable and healthy development, with the operating profit margin reaching 11.2%, an increase of 0.5 percentage points over 2017. The Group's financial business has also maintained a stable and healthy development, with the operating profit margin reaching 11.2%, an increase of 0.5 percentage points over 2017. The Group's financial business has also maintained a stable and healthy development, with the operating profit margin reaching 11.2%, an increase of 0.5 percentage points over 2017.

3. Overall Operation Targets and Initiatives for Main Business Segments

Looking forward, in 2018, the Group will continue to implement its overall strategy, focusing on the core business of container manufacturing and services, and expanding its business in other related areas. The Group will continue to improve its operational efficiency and financial performance, and maintain a stable and healthy development. The Group will continue to improve its operational efficiency and financial performance, and maintain a stable and healthy development. The Group will continue to improve its operational efficiency and financial performance, and maintain a stable and healthy development.

In respect of the container manufacturing business, in 2018, the Group will continue to implement its overall strategy, focusing on the core business of container manufacturing and services, and expanding its business in other related areas. The Group will continue to improve its operational efficiency and financial performance, and maintain a stable and healthy development. The Group will continue to improve its operational efficiency and financial performance, and maintain a stable and healthy development. The Group will continue to improve its operational efficiency and financial performance, and maintain a stable and healthy development.

In respect of the road transportation vehicle business, in 2018, CIMC Vehicle (Group) will continue to implement its overall strategy, focusing on the core business of container manufacturing and services, and expanding its business in other related areas. The Group will continue to improve its operational efficiency and financial performance, and maintain a stable and healthy development. The Group will continue to improve its operational efficiency and financial performance, and maintain a stable and healthy development. The Group will continue to improve its operational efficiency and financial performance, and maintain a stable and healthy development.

In respect of the energy, chemical and liquid food equipment business

In respect of the heavy truck business, 2018, C&C Truck Company, as a subsidiary of the Company, has achieved significant progress in business operations. The Company has actively expanded its market share and strengthened its product quality. In 2018, C&C Truck Company's sales volume increased significantly, and its operating performance improved. The Company has also actively participated in industry cooperation and innovation, and achieved significant results in product research and development. In 2018, C&C Truck Company's operating performance improved significantly, and its market share increased. The Company has also actively participated in industry cooperation and innovation, and achieved significant results in product research and development. In 2018, C&C Truck Company's operating performance improved significantly, and its market share increased.

In respect of the airport facilities equipment business, 2018, the Company has achieved significant progress in business operations. The Company has actively expanded its market share and strengthened its product quality. In 2018, the Company's sales volume increased significantly, and its operating performance improved. The Company has also actively participated in industry cooperation and innovation, and achieved significant results in product research and development. In 2018, the Company's operating performance improved significantly, and its market share increased. The Company has also actively participated in industry cooperation and innovation, and achieved significant results in product research and development.

In respect of the city industry business, 2018, the Company has achieved significant progress in business operations. The Company has actively expanded its market share and strengthened its product quality. In 2018, the Company's sales volume increased significantly, and its operating performance improved. The Company has also actively participated in industry cooperation and innovation, and achieved significant results in product research and development. In 2018, the Company's operating performance improved significantly, and its market share increased. The Company has also actively participated in industry cooperation and innovation, and achieved significant results in product research and development.

In respect of the financial business, 2018, CIMC Capital Limited has achieved significant progress in business operations. The Company has actively expanded its market share and strengthened its product quality. In 2018, CIMC Capital Limited's sales volume increased significantly, and its operating performance improved. The Company has also actively participated in industry cooperation and innovation, and achieved significant results in product research and development. In 2018, CIMC Capital Limited's operating performance improved significantly, and its market share increased. The Company has also actively participated in industry cooperation and innovation, and achieved significant results in product research and development.

IV. SIGNIFICANT CHANGES IN MAIN ASSETS OF THE GROUP DURING THE REPORTING PERIOD

1. Significant Changes in Main Assets

The Group's main assets are property, plant and equipment, intangible assets, and other non-current assets.

2. Main Overseas Assets

All overseas assets are owned by the Group.

V. ANALYSIS OF CORE COMPETITIVE ADVANTAGES

Strategic Positioning of "Manufacture + Service + Finance"

The Group has established a strategic positioning of "Manufacture + Service + Finance". The Group's core business is the manufacture and sale of containers, which is supported by a comprehensive service network and a strong financial foundation. The Group's manufacturing base is located in China, and it has established a global service network. The Group's financial strength is supported by a diversified investment portfolio and a strong credit rating.

Development Philosophies of Business Diversification and Globalisation

The Group has adopted a business diversification and globalisation strategy. The Group's core business is the manufacture and sale of containers, which is supported by a comprehensive service network and a strong financial foundation. The Group's manufacturing base is located in China, and it has established a global service network. The Group's financial strength is supported by a diversified investment portfolio and a strong credit rating.

A Standardised and Effective Corporate Governance System

The Group has established a standardised and effective corporate governance system. The Group's core business is the manufacture and sale of containers, which is supported by a comprehensive service network and a strong financial foundation. The Group's manufacturing base is located in China, and it has established a global service network. The Group's financial strength is supported by a diversified investment portfolio and a strong credit rating.

Case IV
Report of the Board

Lean Manufacturing and Management Capabilities

With the adoption of a full range of lean manufacturing and management capabilities, the company has achieved significant improvements in production efficiency, cost reduction, and customer service. The implementation of lean manufacturing has resulted in a 15% reduction in inventory levels and a 10% increase in production capacity. The adoption of lean management has led to a 20% reduction in operating costs and a 30% increase in customer satisfaction. The company has also implemented a comprehensive quality management system (QMS) to ensure the highest quality of products and services. The QMS includes a range of tools and techniques, such as statistical process control (SPC) and root cause analysis (RCA), to identify and eliminate defects. The company's commitment to lean manufacturing and management has enabled it to maintain a competitive edge in the market and to provide superior value to its customers.

Integrated Resources and Ability to Achieve Collaborative Development

The company has successfully integrated its resources and capabilities to achieve collaborative development with its partners and stakeholders. This has enabled the company to leverage its strengths and resources to create new value and to expand its market reach. The company has established a range of strategic partnerships and alliances with leading industry players, which have provided it with access to new markets and technologies. The company has also invested in research and development to develop new products and services that meet the needs of its customers. The company's ability to achieve collaborative development has been a key factor in its success and growth. The company has a strong track record of delivering on its commitments and of providing superior value to its customers. The company's commitment to collaborative development is a key part of its long-term strategy and is essential for its continued success and growth.

3. Reserves and Distributable Reserves

As of 31 December 2017, the total amount of reserves was RMB23,016,029,000 (2016: RMB20,774,432,000), and the total amount of distributable reserves was RMB19,734,494,000 (2016: RMB17,495,053,000). Moreover, the total amount of distributable reserves of the Company is RMB19,734,494,000 (2016: RMB17,495,053,000) according to Article IV.48, 49 of the Company's Articles of Association and the Accounting Standards for Business Enterprises - Basic Standards and Application Guide.

4. Management Contract

The Company has no management contracts with any other companies.

5. Major Suppliers and Customers

In 2017, the aggregate amount of purchases from the top five suppliers was RMB1,100,000,000, which accounted for 30% of the total purchases. The aggregate amount of sales to the top five customers was RMB1,100,000,000, which accounted for 30% of the total sales. The Company's major suppliers and customers are listed in the following table:

(8) If the Company's major suppliers and customers are related parties, the Company should disclose the following information:

As of 31 December 2017, the Company's major suppliers and customers are listed in the following table:

The Company's major suppliers and customers are listed in the following table:

The Company's major suppliers and customers are listed in the following table:

The Company's major suppliers and customers are listed in the following table:

6. Repurchase, Sale or Redemption of Securities

The Company has no repurchase, sale or redemption of securities during the reporting period.

7. Trust Deposits and Irrecoverable Overdue Time Deposits

As of 31 December 2017, the Company has no trust deposits and irrecoverable overdue time deposits.

8. Pre-emptive Rights

The Company's pre-emptive rights are listed in the following table:

The Company's pre-emptive rights are listed in the following table:

9. Issue of Debenture

The Company has issued debentures in accordance with Article IV.39 of the Company's Articles of Association and the Accounting Standards for Business Enterprises - Basic Standards and Application Guide.

10. Taxes

Income tax expense is calculated according to the tax laws and regulations in the People's Republic of China.

15. Dividend Distribution

Based on the Group's 2017 annual report, according to the provisions of the Company's Articles of Association, the Board of Directors has proposed a dividend distribution plan for 2017. The dividend distribution plan is as follows: for the 2017 fiscal year, the company will distribute a total dividend of RMB2.70 per share (including tax) to the shareholders of record as of the dividend payment date. The dividend distribution plan is subject to the approval of the 2017 Annual General Meeting of the Company. The dividend distribution plan is in line with the provisions of the Company's Articles of Association and the relevant provisions of the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, and the Regulations on the Listing of Companies on the Shanghai Stock Exchange.

16. Changes of Directors and Supervisors

The Group's Board of Directors and Supervisors have remained stable during the reporting period. There have been no changes in the members of the Board of Directors and Supervisors since the last annual general meeting of the Company. The Board of Directors consists of 11 members, and the Supervisors consist of 3 members.

17. Environmental, Social and Governance Report

The Group has always adhered to the principle of "green, low-carbon, and sustainable development" and has actively responded to the requirements of the global climate change and environmental protection. In 2017, the Group has further strengthened its environmental, social and governance (ESG) management, and has achieved significant results. The Group has established a complete ESG management system, and has implemented a series of measures to reduce greenhouse gas emissions, improve energy efficiency, and enhance environmental protection. In addition, the Group has also paid attention to social responsibility, and has actively participated in social welfare activities. The Group's ESG performance has been recognized by the market and the industry.

18. Events after the Balance Sheet Date

There have been no significant events after the balance sheet date that would affect the financial position or performance of the Group. The Board of Directors has reviewed the financial statements and confirmed that they are accurate and reliable.

Case V

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

I. OVERVIEW

For the purpose of the disclosure, the Company has prepared this Case V in accordance with the requirements of the Domestic Securities Regulatory Rules. The Company has prepared this Case V in accordance with the requirements of the Domestic Securities Regulatory Rules.

II. ANALYSIS OF PRINCIPAL BUSINESSES

1. Overview

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



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

(2) Industry, Product or Region Contributing 10% or More to the Company's Revenue or Operating Profit

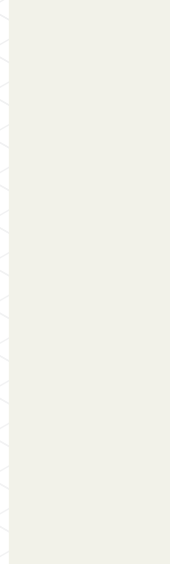
Unit: RMB '000

	Revenue	Contribution	Contribution Margin	Year-on-year change	Year-on-year change	Year-on-year change
By industry						
Container	25,046,697	21,145,197	15.58%	126.32%	113.81%	4.94%
Railway container	19,520,664	15,938,947	18.35%	32.84%	33.60%	(0.46%)
Equipment and other	11,846,200	9,647,457	18.56%	26.65%	27.30%	(0.42%)
Logistics	8,195,452	7,406,255	9.63%	14.95%	16.62%	(1.30%)
By product						
Container	25,046,697	21,145,197	15.58%	126.32%	113.81%	4.94%
Railway container	19,520,664	15,938,947	18.35%	32.84%	33.60%	(0.46%)
Equipment and other	11,846,200	9,647,457	18.56%	26.65%	27.30%	(0.42%)
Logistics	8,195,452	7,406,255	9.63%	14.95%	16.62%	(1.30%)
By region						
China	32,769,171			39.07%		
Abroad	18,482,055			90.18(32.84%)T 6.89 0 Td(33.60%)T 6.89 0 Td((0.46%)T -56.3		

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

(3) The Company's Income of the Physical Sale is Higher than the Service Revenue or not

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

(5) Composition of Cost of Sales

Industry classification

Unit: RMB '000

Industry classification	Item	2017		2016		Year-on-year change
		Amount	% of cost of sales	Amount	% of cost of sales	
Container	Direct cost	17,344,980	82.03%	7,610,009	76.95%	5.08%
Radial trailer	Direct cost	14,082,366	88.35%	10,565,729	88.56%	(0.21%)
Offering	Cost	1,464,155	58.14%	2,961,039	76.56%	(18.42%)

Product classification

Unit: RMB '000

Industry classification	Item	2017		2016		Year-on-year change
		Amount	% of cost of sales	Amount	% of cost of sales	
Container	Direct cost	17,344,980	82.03%	7,610,009	76.95%	5.08%
Radial trailer	Direct cost	14,082,366	88.35%	10,565,729	88.56%	(0.21%)
Offering	Cost	1,464,155	58.14%	2,961,039	76.56%	(18.42%)

(6) Changes to the Consolidation Scope during the Reporting Period

Yes No

During the Reporting Period, there are no changes in the consolidation scope. The company is in compliance with the requirements of Article 13 of the Securities Law of the PRC, Article 17 of the Securities Acquisition and Disposal of Securities Regulations of the PRC, and Article 13 of the CASBE Rules.

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

(7) Information of Significant Changes or Adjustments of Businesses, Products or Services of the Company during the Reporting Period

Applicable Not Applicable

(8) Information of the Major Customers and Major Suppliers

Information of the major customers of the Company

Total	12,489,770
% of the annual total sales amount	16.37%
% of the annual total sales amount	0.00%

Information of the top five customers of the Company

Applicable Not Applicable

Unit: RMB (Million)

No.	Name of customer	Sales amount	% of the annual total sales amount
1	Transocean Liners	3,953,720	5.18%
2	Mediterrea Shipping Co. SA	3,865,260	5.07%
3	Compagnie Maritime D'Affretee	2,372,859	3.11%
4	Tea Line Management Ltd	1,194,748	1.57%
5	China Atlantic Lines	1,103,183	1.44%
Total		12,489,770	16.37%

Other information of major customers

Applicable Not Applicable

The company has no significant changes in its major customers during the reporting period. The company's major customers are Transocean Liners, Mediterrea Shipping Co. SA, Compagnie Maritime D'Affretee, Tea Line Management Ltd, and China Atlantic Lines. The company's major customers are not related to the company's management and its subsidiaries.

Chapter V

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

Information of the major suppliers of the Company

Total purchase amount of the major suppliers (Unit: RMB million)	5,570,997
% of the total purchase amount of the major suppliers	8.94%
% of the total purchase amount of the major suppliers	0.00%

Information of the top five suppliers of the Company

✓ All are not related parties

Unit: RMB million

No.	Name of supplier	Purchase amount	% of the annual total purchase amount
1	Sagaba Industrial Trading Co., Ltd.	1,457,491	2.34%
2	Raise Weichuan Co., Ltd.	1,255,155	2.01%
3	Agassee Chemical Co., Ltd.	1,149,757	1.85%
4	Canal Heat Treatment Co., Ltd.	916,558	1.47%
5	Sagajiang Industrial Co., Ltd.	792,036	1.27%
Total		5,570,997	8.94%

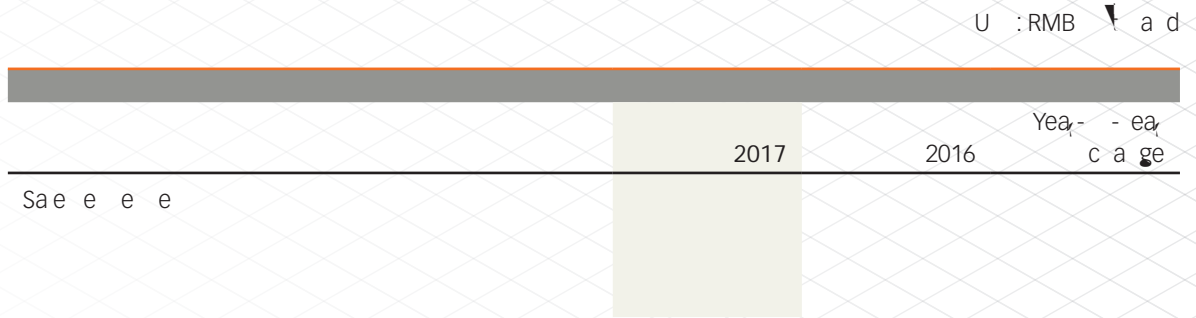
Other information of major suppliers

All are not related parties

The company has no significant transactions with the top five suppliers, and the company has no transactions with the top five suppliers exceeding 5% of the total purchase amount of the major suppliers.

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

3. Expenses



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

R&D investments of the Company

	2017	2016	Percentage change
Number of R&D employees (people)	3,389	3,385	0.12%
Percentage of R&D employees	6.69%	6.60%	0.09%
Amount of R&D expenditure (RMB million)	725,386	563,792	28.66%
Percentage of R&D expenditure	0.95%	1.10%	(0.15%)
Capitalized amount of R&D expenditure (RMB million)	73,657	44,352	66.07%
Percentage of capitalized R&D expenditure to R&D expenditure	10.15%	7.87%	2.28%

Reasons for the significant change to the proportion of total R&D investments in revenue as compared with the previous year

Answer: No Answer

Reasons for the substantial change to the capitalisation rate of R&D investments and explanations for its reasonableness

Answer: No Answer

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

5. Cash Flows

Unit: RMB million

Item	2017	2016	Year-on-year change
Subsidiary operating cash flow	80,479,933	52,132,383	54.38%
Subsidiary operating cash flow	76,204,554	49,790,764	53.05%
Net cash flow from operating activities	4,275,379	2,341,619	82.58%
Subsidiary investing cash flow	11,439,481	2,010,159	469.08%
Subsidiary investing cash flow	13,019,586	8,864,814	46.87%
Net cash flow from investing activities	(1,580,105)	(6,854,655)	76.95%
Subsidiary financing cash flow	62,750,173	64,307,817	(2.42%)
Subsidiary financing cash flow	66,287,326	56,796,771	16.71%
Net cash flow from financing activities	(3,537,153)	7,511,046	(147.09%)
Net (decrease)/increase in cash and cash equivalents	(895,810)	3,079,544	(129.09%)

Reasons for the major factors affecting significant changes in relevant information as compared with the same period of previous year

Accept Not accept

During the Reporting Period, the Company's subsidiary operating cash flow increased by 54.38% and 53.05% respectively compared with the same period of the previous year. The increase is mainly due to the increase in the operating cash flow of the subsidiary. During the Reporting Period, the Company's subsidiary investing cash flow increased by 469.08% and 46.87% respectively compared with the same period of the previous year. The increase is mainly due to the increase in the investment cash flow of the subsidiary. During the Reporting Period, the Company's subsidiary financing cash flow decreased by 2.42% and 16.71% respectively compared with the same period of the previous year. The decrease is mainly due to the decrease in the financing cash flow of the subsidiary.

Reasons for major differences between the net cash flows of operating activities of the Company and the net profit of the Year during the Reporting Period

Accept Not accept

III. ANALYSIS OF NON-PRINCIPAL BUSINESSES

✓ Available Non-availability

Unit: RMB million

	Amount	Percentage	Description	Availability
Lease receivable	510,351	11.57%	Majorly related to the lease receivable of CIMC EEC, C	N
Prepaid freight charges	111,316	2.52%	Majorly related to the prepaid freight charges of the company	N
Accounts receivable	671,341	15.23%	Majorly related to the accounts receivable of the company	N
Non-current receivable	622,421	14.12%	Majorly related to the non-current receivable of the company	N
Non-current receivable	384,865	8.73%	Majorly related to the non-current receivable of the company	N

IV. ASSETS AND LIABILITIES

1. Significant Changes in Assets

Unit: RMB million

	As at the end of 2017		As at the end of 2016		Change
	Amount	% of total assets	Amount	% of total assets	Change (%)
Accounts receivable	16,396,726	12.55%	11,526,075	9.25%	42.26%

Majorly related to the accounts receivable of the company.

C a e V

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

2. Material Equity Investments during the Reporting Period

✓ A c a b e N a c a b e

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

4. Financial Asset Investments

(1) Securities Investments

✓ Available for sale Not available for sale

Unit: RMB 10,000

Securities	Stock code	Abbreviation of stock name	Initial investment cost	Modes of accounting measurement	Book value at the beginning of the Reporting Period	Profit or loss arising from changes in fair value during the Reporting Period	Cumulative changes in fair value recognised in equity	Purchases for the Reporting Period	Sales for the Reporting Period	Profit or loss during the Reporting Period	Book value at the end of the Reporting Period	Classification in accounting	Source of funds
HS 60198	6198	Qingdao Port	128,589	Fair value	133,400	54,001					177,020	Fair value available for sale	Self-raised
HS 60368	368	Sinohydro	20,742	Fair value	3,860	1,421					4,985	Fair value available for sale	Self-raised
Other equity investments					812	753				767	1,298		
Total			149,331		138,072	56,175				767	183,303		
Available for sale				N									
Available for sale (fair value)				N									

(2) Other Listed Company Equities Held

Unit: RMB 10,000

Stock code	Abbreviation of stock name	Initial investment amount	Number of shares held (thousand shares)	Shareholding percentage (%)	Book value at the end of the year	Profit or loss during the Reporting Period	Change in equity during the Reporting Period	Classification in accounting	Source of shareholding
American Overseas Engineering & Construction: OEL	OEL	13,480	13,521	1.19%	3,995		568	Available for sale	Self-raised
Hong Kong Securities: 206	TSC Offshore	167,591	92,800	13.12%	193,066	(6,614)	(13,225)	Long-term equity investment	Self-raised
Hong Kong Securities: 00445	CFE	467,498	1,223,571	30.00%	532,763	(2,109)	49,597	Long-term equity investment	Self-raised

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

5. Use of Raised Proceeds

✓ Applicable Not applicable

(1) General Utilisation of Raised Proceeds

✓ Applicable Not applicable

Unit: HK\$

Year of raised proceeds	Method	Total proceeds raised	Total proceeds used in the Reporting Period	Total proceeds accumulatively used	Total proceeds raised with changes in usage during the Reporting Period	Accumulative proceeds raised with changes in usage	Proportion of accumulative total proceeds raised with changes in usage	Total amount of remaining proceeds raised	Use and direction for remaining proceeds raised	Raised proceeds not used in more than 2 years
2015	Private placement	3,856,575,428	571,793	3,856,575,428			0.00%			
	HS exchange	(RMB3,227,639,131)	(RMB511,475)	(RMB3,227,639,131)						
Total		3,856,575,428	571,793	3,856,575,428			0.00%			
		(RMB3,227,639,131)	(RMB511,475)	(RMB3,227,639,131)						

Description of overall utilisation of proceeds raised

The proceeds raised from the private placement and HS exchange are being used for the general operation of the Company.

(2) Projects Committed with Raised Proceeds

Applicable ✓ Not applicable

(3) Change of Projects to be Invested with Raised Proceeds

Applicable ✓ Not applicable

VI. DISPOSAL OF SUBSTANTIAL ASSETS AND EQUITY INTERESTS

1. Disposal of Substantial Assets

Applicable Not applicable

2. Disposal of Substantial Equity Interests

Applicable Not applicable

Unit: RMB million

Counterparty	Sold equity	Date of signing the sales agreement	Transaction price	Net profit contributed by the equity to the listed company from the beginning of the Period to the sale date	Influence on the Company by the sale	Proportion of the net profit contributed by the equity sale to the listed company to the total net profit	Pricing principle of equity sale	Connected transaction	Relationship with the counterparty	The involved equity has been transferred completely	Whether the schedule plan has been implemented; if not, describe the reason and the measures adopted by the Company	Date of disclosure	Disclosure index
Shanghai Electric Technology Co., Ltd.	CIMC ELECTRICITY COMMERCE	2017.9.30	633,715	(144,711)	483,588	15%		N	N	Ye	Ye	2017.9.30, 2017.10.30	www.cninfo.com.cn www.hkexnews.hk

VII. ANALYSIS OF PRINCIPAL SUBSIDIARIES AND ASSOCIATES

Applicable Not applicable

Peak effective, respectively, accounted for 11.1% and 11.1% of the Company's net profits. The Company's subsidiaries and associates are listed in the following table:

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

Unit: RMB million

Company name	Company type	Principal activities	Registered capital	Total assets	Net assets	Revenues	Operating profits	Net profits
CIMC Electric	Subsidiary	Electricity commerce	17,793	14,167,219	5,860,978	10,671,276	481,090	420,181

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

Details on obtaining and disposing subsidiaries during the Reporting Period

✓ Acquire Not acquire

Company name	Method of obtaining and disposing subsidiaries	Impact on overall production and operation and performance
Se e CIMCEec, c C e, cea d L g c d a f a e d g Tec g C., Ld.		N a e a ac e G ' l e a r d c a d e a . T e G ' , L e e g a f, e R e , g P e d RMB483,588,000.
Hg fed D e e e C . SOE	d a f a e d g a e f a e d g	N a e a ac N a e a ac
Z e g J e L g c A a S e C., Ld.	a e f a e d g	N a e a ac
Q g da L e da C e ca C., Ld	a e f a e d g	N a e a ac
青島力達新橡塑製品有限公司	a e f a e d g	N a e a ac

VIII. Structured Body Controlled by the Company

Acquire ✓ Not acquire

IX. OUTLOOK FOR FUTURE DEVELOPMENT

F, de a f ; f, e e e e f e G , ea e, efe III. F, e D e e e a d
Q ; f C a e, IV Re , f e B a d Re ,

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

X. RECEPTION OF RESEARCH, COMMUNICATIONS AND INTERVIEWS

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

Date of reception	Venue of reception	Mode of reception	Type of party received	Party received	Brief description on research
9 January 2017	China	Telemarketing	Individual	Ward Securities, Taiwan	Private equity fund, investment, receivable, debt
13 February 2017	China	Face-to-face	Individual	Peoples Choice, China	Shareable
13 February 2017	China	TF Securities Telemarketing	Individual	TF Securities, Guangdong	Shareable
14 February 2017	China	Bank of China & Industrial Bank Telemarketing	Individual	Bank of China, Guangdong	Shareable
15 February 2017	China	Face-to-face	Individual	GF Securities, Seiyu & Wanda Securities, Caia (玖石資本), P&A Securities, Zenggang, Sed, Se Z M, Lue, China Mecca Securities, Pengfa, Yafan, Haili (紅土創新), Pacific Securities, Haogao, Qe Securities, Caia (雲高資本) and Haree (懷真資產)	Shareable
16 February 2017	China	Face-to-face	Individual	Beard	Shareable
17 February 2017	Hong Kong	Telemarketing	Individual	Aae Caia Manager, Lig Caia Manager, Dece A Manager (HK), Tee A Manager, LBN Agent, Value Partners	Shareable
20 February 2017	China	Telemarketing	Individual	Head Caia	Shareable

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

Date of reception	Venue of reception	Mode of reception	Type of party received	Party received	Brief description on research
20 February 2017	China	Hong Kong Securities and Futures Commission	Individual	Hong Kong Securities and Futures Commission	Share subscription
21 February 2017	China	Federated	Individual	Zhejiang	Share subscription
22 February 2017	Singapore Yong Lim	Visa Singapore	Individual	Morgan Stanley	Beijing, Shanghai, Shenzhen, Hong Kong
24 February 2017	Singapore Yong Lim	Visa Singapore	Individual	Goldman Sachs	Share subscription
24 February 2017	Singapore Sachs	Visa Singapore	Individual	Everest Securities	Beijing, Shanghai, Shenzhen, Hong Kong
11 April 2017	China	Federated	Individual	Overseas Chinese	Beijing, Shanghai, Shenzhen, Hong Kong
28 April 2017	China	Telex	Individual	CICC	Beijing, Shanghai, Shenzhen, Hong Kong
17 May 2017	China	Federated	Individual	Everest Securities	Beijing, Shanghai, Shenzhen, Hong Kong

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

Date of reception	Venue of reception	Mode of reception	Type of party received	Party received	Brief description on research
18 Mar 2017	Kaada Saga	Vaada Saga	Individual		

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

Date of reception	Venue of reception	Mode of reception	Type of party received	Party received	Brief description on research
15 September 2017	China	Federally	Individual	China Securities Regulatory Commission, Shanghai	Preparation of research report, etc.
20 September 2017	China	Federally	Individual	Taiwan Agency, Taiwan Financial Services, Sea and Shipping	Sea and Shipping
14 November 2017	Shanghai	Federally	Individual	Baosheng, Pingyuan, GF Securities, 長城財富, CITIC Securities, E-Trade Securities, TF Securities, China Securities Regulatory Commission, CICCC, UBS, Zongsheng, Industrial Securities, China Overseas Assets Management, 亞商投資, China Lufei, Haigang Securities and Shipping	Preparation of research report, etc.
1 December 2017	Shanghai	Federally	Individual	China Merchants Securities	Preparation of research report, etc.
5 December 2017	Shanghai	Federally	Individual	Northeast Securities	Sea and Shipping
8 December 2017	Shanghai	Federally	Individual	Fidelity Securities	Sea and Shipping
20 December 2017	Shanghai	Federally	Individual	Sea and Shipping	Sea and Shipping
22 December 2017	Shanghai	Federally	Individual	BOC International, Taiwan AMC, Zongsheng Macroeconomics, 景泰利豐	Preparation of research report, etc.



TRANSPORT ROAD

道路
運輸車輛業務

INTEGRATION



BUSINESS



Chapter VI

Management Discussion and Analysis Prepared in Accordance with the Hong Kong Securities Regulatory Rules

This management discussion and analysis is prepared in accordance with the requirements of the Hong Kong Securities Regulatory Rules. The management discussion and analysis should be read in conjunction with the information contained in the financial statements and the notes thereto prepared in accordance with the applicable accounting standards issued by the CASBE.

Consolidated operating Results and Segment Information

The Group's operating results for the year ended 31 December 2017 amounted to RMB76,299.930 million (2016: RMB51,111.652 million), of which attributable to the shareholders of the Company amount to RMB2,509.242 million (2016: RMB539.660 million). The operating margin is 18.36% and 18.84% for 2017 and 2016 respectively. For the year ended 31 December 2017, the Group's operating results for the period of the first three quarters amounted to RMB51,111.652 million (2016: RMB33,888.961 million), of which attributable to the shareholders of the Company amount to RMB339.660 million (2016: RMB539.660 million). The operating margin is 18.84% and 18.36% for 2017 and 2016 respectively. The Group's operating results for the period of the first three quarters 2017 are set out in the following table.

The following table sets out the consolidated operating results of the Group for the period of the first three quarters 2017 and 2016, and for the year ended 31 December 2017 and 2016.

The above table is presented in Chinese only. Where there is a discrepancy between the Chinese and English versions, the Chinese version shall prevail.

Unit: RMB million

Segment	2017		2016	
	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)
Container	3,901,500	15.58%	1,177,195	10.64%
Railway container	3,581,717	18.35%	2,764,281	18.81%
Other	2,198,743	18.56%	1,775,192	18.98%
Others	(32,719)	(1.32%)	437,815	10.17%
Financial	749,391	20.84%	639,110	19.89%
Logistics	789,197	9.63%	778,894	10.93%
Finance	1,444,348	61.71%	1,290,337	56.04%
Real estate	424,836	42.20%	341,309	47.20%
Head office	132,473	5.16%	32,694	1.89%
Others	186,215	5.97%	252,046	11.36%
Combined	631,514	-	140,762	-
Total	14,007,215	18.36%	9,629,635	18.84%

Cost of Sales

For the year ended 31 December 2017, the Group's operating results for the period of the first three quarters 2017 are set out in the following table.

Gross Profit Margin and Profitability

The Group's gross profit margin for the year ended 31 December 2017 was 18.36%, which was 1.48 percentage points higher than the 16.88% for the year ended 31 December 2016. The Group's gross profit margin for the period of the first three quarters 2017 was 18.84%, which was 0.04 percentage points higher than the 18.80% for the period of the first three quarters 2016.

Management Discussion and Analysis Prepared in Accordance with the Hong Kong Securities Regulatory Rules

Technology Development Costs, Sales Costs, Management Expenses and Finance Expenses

For the period ending December 31, 2017, the Company's sales costs, management expenses and finance expenses were RMB195.323 million (2016: RMB195.323 million), representing an increase of 232.36% over the corresponding period. The increase was mainly due to the increase in R&D expenses of RMB195.323 million (2016: RMB195.323 million) and the increase in sales costs of RMB195.323 million (2016: RMB195.323 million). The increase in R&D expenses was mainly due to the increase in R&D expenses of RMB195.323 million (2016: RMB195.323 million). The increase in sales costs was mainly due to the increase in sales costs of RMB195.323 million (2016: RMB195.323 million).

Non-operating Income

For the period ending December 31, 2017, the Company's non-operating income was RMB622.421 million (2016: RMB761.241 million), representing a decrease of 18.24% over the corresponding period. The decrease was mainly due to the decrease in non-operating income of RMB622.421 million (2016: RMB761.241 million). The decrease in non-operating income was mainly due to the decrease in non-operating income of RMB622.421 million (2016: RMB761.241 million).

Provisions for Asset Impairment

For the period ending December 31, 2017, the Company's provisions for asset impairment were RMB880.764 million (2016: RMB2,215.199 million), representing a decrease of 60.24% over the corresponding period. The decrease was mainly due to the decrease in provisions for asset impairment of RMB880.764 million (2016: RMB2,215.199 million). The decrease in provisions for asset impairment was mainly due to the decrease in provisions for asset impairment of RMB880.764 million (2016: RMB2,215.199 million).

Taxes

For the period ending December 31, 2017, the Company's taxes were RMB1,250.826 million (2016: RMB967.068 million), representing an increase of 29.34%. For the period ending December 31, 2017, the Company's taxes were RMB1,250.826 million (2016: RMB967.068 million). The increase in taxes was mainly due to the increase in taxes of RMB1,250.826 million (2016: RMB967.068 million).

Profit Attributable to Minority Shareholders

In 2017, the Company's profit attributable to minority shareholders was RMB649.173 million (2016: RMB195.323 million), representing an increase of 232.36% over the corresponding period. The increase was mainly due to the increase in profit attributable to minority shareholders of RMB649.173 million (2016: RMB195.323 million).

Liquidity and Financial Resources

The Company's cash and cash equivalents at the end of December 31, 2017, were RMB5,596.314 million (December 31, 2016: RMB6,325.998 million), representing a decrease of 11.53% over the corresponding period. The decrease was mainly due to the decrease in cash and cash equivalents of RMB5,596.314 million (December 31, 2016: RMB6,325.998 million).

For the period ending December 31, 2017, the Company's cash and cash equivalents were RMB5,596.314 million (December 31, 2016: RMB6,325.998 million). The decrease in cash and cash equivalents was mainly due to the decrease in cash and cash equivalents of RMB5,596.314 million (December 31, 2016: RMB6,325.998 million).

Management Discussion and Analysis Prepared in Accordance with the Hong Kong Securities Regulatory Rules

Bank Loans and Other Borrowings

As at 31 December 2017, the Group's short-term borrowings, long-term borrowings, debentures and other financial liabilities aggregated to RMB52,014.876 (31 December 2016: RMB55,932.185). Details are set out in the notes to the financial statements (pages 125, 126, 127, 128 and 129 of the financial statements) and the CASBE regulations.

Unit: RMB million

	As at 31 December 2017	As at 31 December 2016
Short-term borrowings	15,317,347	15,729,787
Long-term borrowings	3,982,626	3,525,710
Debt securities	-	-
Long-term debentures	24,140,168	27,023,222
Other financial liabilities (including financial guarantees)	7,986,500	7,986,500
	588,235	1,666,966
Total	52,014,876	55,932,185

Long-term borrowings in 2017 were RMB517.890 million (2016: RMB507.365 million).

The Group's bank borrowings are denominated in U.S. dollars, euros and other currencies. As at 31 December 2017, the Group's bank borrowings consisted of RMB8,728.021 million (31 December 2016: RMB8,123.960 million) and RMB34,712.120 million (31 December 2016: RMB38,154.759 million). The Group's short-term borrowings are denominated in euros. Details are set out in the notes to the financial statements (pages 125, 126, 127, 128 and 129 of the financial statements) and the CASBE regulations.

The Group's other borrowings are denominated in RMB, euros and other currencies. As at 31 December 2017, the other borrowings of the Group amounted to RMB7,986.500 million (31 December 2016: RMB7,986.500 million). Details are set out in the notes to the financial statements (pages 125, 126, 127, 128 and 129 of the financial statements) and the CASBE regulations.

Capital Structure

The Group's capital structure consists of equity attributable to shareholders and debt. As at 31 December 2017, the Group's equity attributable to shareholders amounted to RMB43,237.434 million (31 December 2016: RMB39,134.792 million); the debt attributable to shareholders amounted to RMB87,366.945 million (31 December 2016: RMB85,479.956 million) and the debt attributable to other parties amounted to RMB130,604.379 million (31 December 2016: RMB124,614.748 million). Details are set out in the notes to the financial statements (pages 125, 126, 127, 128 and 129 of the financial statements) and the CASBE regulations.

As at 31 December 2017, the Group's equity attributable to shareholders accounted for 66.89% (31 December 2016: 68.60%) of the total capital structure. The Group's capital structure is affected by the debt-to-equity ratio. Details are set out in the notes to the financial statements (pages 125, 126, 127, 128 and 129 of the financial statements) and the CASBE regulations.

Management Discussion and Analysis Prepared in Accordance with the Hong Kong Securities Regulatory Rules

Pledge of Assets

As at 31 December 2017, the amount of assets pledged for the Group's bank borrowings was RMB9,815.725 million (31 December 2016: RMB9,756.883 million). For details of the Group's pledge of assets, please refer to IV.24 Capital and Finance of the CASBE Report.

Significant Investments and Major Acquisitions and Sales Relating to Subsidiaries and Associated Companies

During the reporting period, the Group completed the acquisition of Zhejiang Jielong Chemicals Co., Ltd., Qingdao Seda New Plastic Products Co., Ltd. and SOE. The total amount of RMB849.139 million. For details, please refer to V Capital and Finance of the CASBE Report. During the reporting period, the Group disposed of 78.236% of CIMC Eec, C. The total amount of RMB633.715 million. For details, please refer to V Capital and Finance of the CASBE Report.

Future Plans for Significant Investments, Expected Source of Funding, Capital expenditure and Financing Plan

The Group's management has made a preliminary plan for the future investments, expected source of funding, capital expenditure and financing plan. In 2018, the Group will continue to invest in the acquisition of assets and the disposal of assets. The Group will continue to invest in the acquisition of assets and the disposal of assets.

Contingent Liabilities

As at 31 December 2017, the amount of contingent liabilities was RMB125.286 million (31 December 2016: RMB83.248 million). For details, please refer to X.1 Capital and Finance of the CASBE Report.

Use of Proceeds

As at 31 December 2015, the Company had a total of 286,096,100 H Shares. COSCO Container Lines Limited, Badr Ltd. and H d g L ed a HK\$13.48 million. For details, please refer to the CASBE Report. As at 31 December 2017, the amount of proceeds was HK\$3,857 million (RMB3,228 million). For details, please refer to V Use of Proceeds of the CASBE Report.

Employees and Remuneration Policies

As at 31 December 2017, the Group had 50,689 employees (31 December 2016: 51,299 employees) in the PRC. For details, please refer to VII. Employee and Remuneration Policies of the CASBE Report. The Group's management has made a preliminary plan for the future investments, expected source of funding, capital expenditure and financing plan.

The Group's management has made a preliminary plan for the future investments, expected source of funding, capital expenditure and financing plan. In 2018, the Group will continue to invest in the acquisition of assets and the disposal of assets. The Group will continue to invest in the acquisition of assets and the disposal of assets.

Management Discussion and Analysis Prepared in Accordance with the Hong Kong Securities Regulatory Rules

Employee Training Programme

The Company has established a comprehensive training programme to enhance the professional skills and knowledge of its employees. The programme includes various courses and seminars, covering areas such as product knowledge, sales techniques, and customer service. The Company also provides on-the-job training and mentorship opportunities for its staff. The training programme is designed to ensure that employees are equipped with the necessary skills and knowledge to perform their duties effectively and efficiently. The Company's commitment to employee development is a key factor in its success and growth.

Share Option Incentive Scheme

The Company has implemented a Share Option Incentive Scheme to attract and retain key management personnel and other employees who are instrumental to the Company's success. The scheme allows eligible participants to acquire shares of the Company at a predetermined price, which is typically set at a discount to the market price. The scheme is designed to align the interests of the participants with the long-term growth and performance of the Company. The Company's Share Option Incentive Scheme is in compliance with the relevant regulatory requirements and is subject to the approval of the shareholders. The Company's commitment to employee incentives is a key factor in its success and growth.

Employee Pension Benefits

The Company provides comprehensive pension benefits to its employees to ensure their financial security in retirement. The pension benefits are provided through a defined contribution plan, which is subject to the relevant regulatory requirements. The Company's pension benefits are designed to provide a steady stream of income to employees in their retirement years. The Company's commitment to employee pension benefits is a key factor in its success and growth. The Company also provides other employee benefits, such as medical insurance and life insurance, to further support the well-being of its employees. The Company's commitment to employee benefits is a key factor in its success and growth.

Market Risks

The Company is exposed to various market risks, including changes in market prices, interest rates, and exchange rates. The Company has implemented various risk management strategies to mitigate these risks and ensure the stability of its operations. The Company's market risks are closely monitored and managed by the relevant departments. The Company's commitment to risk management is a key factor in its success and growth. The Company also provides other market risk management strategies, such as hedging and diversification, to further reduce the impact of market risks. The Company's commitment to market risk management is a key factor in its success and growth.

ENERGY



REFINERY
EQUIPMENT



AND
LIQUID
FOOD



能源、
食品裝備業務
化工及液態



SMART BUSINESS



Chapter VII Report of the Supervisory Committee

Dear Shareholders,

During the year 2017, the Supervisory Committee has effectively carried out its duties and responsibilities in accordance with the provisions of the Company Law of the PRC and the Articles of Association.

I. MEETINGS OF THE SUPERVISORY COMMITTEE

Report of the Supervisory Committee

Session of meeting	Date	Supervisor attended	Name of proposal	Resolution	Searching index for the resolution published on designated websites	Disclosure date of the information cited in the resolution
Te 2 d ee g 2017 f e 8 e	2017.4.21	Z a g M g e L S e g X g B	1. P, a, e g a d g e a d t e f e b e f A a e b e ed, e a ce, ce, e , ce de e a da e a d e e e f e a d e, d f e, e a d e a, a f e g e a e e g; 2. P, a, e g a d g e, e e d a f, e b c a ce f A a e b e c a ; 3. P, a, e g a d g e f e a b e, e e f, ceed , a e d f e b c a ce f A a e b e c a (2017 a e d e); 4. P, a, e g a d g e, e, e, e e f, ceed f, e d a g a c t e b e C a ; 5. P, a, e g a d g e a c f 20 c a			

Report of the Supervisory Committee

Session of meeting	Date	Supervisor attended	Name of proposal	Resolution	Searching index for the resolution published on designated websites	Disclosure date of the information cited in the resolution
6th meeting of the 8th Board of Directors (interim)	2017.8.28	Zhang Minge Liu Shengli Xiang Biao	1. Proposal regarding the 2017 interim dividend; 2. Proposal regarding the 2017 interim financial statements; 3. Proposal regarding the 2017 interim financial statements; 4. Resolution regarding the 2017 interim financial statements.	Adopted	www.hkexnews.hk	2017.8.29
7th meeting of the 8th Board of Directors	2017.10.27	Zhang Minge Wang Hui Xiang Biao	Resolution regarding the 2017 interim financial statements.	Adopted	www.hkexnews.hk	2017.10.28

II. SUPERVISORY COMMITTEE'S PRESENCE ON OTHER MEETINGS AND PERFORMANCE OF OTHER OBLIGATIONS

All members of the Supervisory Committee have attended the 6th and 7th meetings of the 8th Board of Directors.

III. OTHER MATTERS REVIEWED OR CONCERNED BY THE SUPERVISORY COMMITTEE

1. Opinion of the Supervisory Committee on the Lawful Operation of the Company

The Supervisory Committee has reviewed the company's operations and found that the company has operated lawfully in accordance with the provisions of the PRC Company Law, the Articles of Association, and the Rules of Procedure of the Board of Directors. The company has not received any complaints or reports regarding the company's operations. The Supervisory Committee has also reviewed the company's financial statements and found that they are true and accurate. The company's financial statements have been audited by an independent accounting firm, and the audit report is favorable. The Supervisory Committee has also reviewed the company's internal control system and found that it is effective. The company's internal control system has been designed and implemented in accordance with the relevant laws and regulations. The Supervisory Committee has also reviewed the company's risk management system and found that it is effective. The company's risk management system has been designed and implemented in accordance with the relevant laws and regulations. The Supervisory Committee has also reviewed the company's human resources management system and found that it is effective. The company's human resources management system has been designed and implemented in accordance with the relevant laws and regulations. The Supervisory Committee has also reviewed the company's information disclosure system and found that it is effective. The company's information disclosure system has been designed and implemented in accordance with the relevant laws and regulations. The Supervisory Committee has also reviewed the company's environmental protection system and found that it is effective. The company's environmental protection system has been designed and implemented in accordance with the relevant laws and regulations. The Supervisory Committee has also reviewed the company's social responsibility system and found that it is effective. The company's social responsibility system has been designed and implemented in accordance with the relevant laws and regulations. The Supervisory Committee has also reviewed the company's labor relations system and found that it is effective. The company's labor relations system has been designed and implemented in accordance with the relevant laws and regulations. The Supervisory Committee has also reviewed the company's labor dispute resolution system and found that it is effective. The company's labor dispute resolution system has been designed and implemented in accordance with the relevant laws and regulations. The Supervisory Committee has also reviewed the company's labor dispute resolution system and found that it is effective. The company's labor dispute resolution system has been designed and implemented in accordance with the relevant laws and regulations.

2. Opinion of the Supervisory Committee on Insolvency of the Financial Status of the Company

The Supervisory Committee has reviewed the company's financial status and found that the company is not insolvent. The company's financial status is sound and stable. The company's assets are sufficient to cover its liabilities. The company's cash flow is positive. The company's operating income is increasing. The company's profit is increasing. The company's financial position is strong. The Supervisory Committee has also reviewed the company's financial statements and found that they are true and accurate. The company's financial statements have been audited by an independent accounting firm, and the audit report is favorable. The Supervisory Committee has also reviewed the company's internal control system and found that it is effective. The company's internal control system has been designed and implemented in accordance with the relevant laws and regulations. The Supervisory Committee has also reviewed the company's risk management system and found that it is effective. The company's risk management system has been designed and implemented in accordance with the relevant laws and regulations. The Supervisory Committee has also reviewed the company's human resources management system and found that it is effective. The company's human resources management system has been designed and implemented in accordance with the relevant laws and regulations. The Supervisory Committee has also reviewed the company's information disclosure system and found that it is effective. The company's information disclosure system has been designed and implemented in accordance with the relevant laws and regulations. The Supervisory Committee has also reviewed the company's environmental protection system and found that it is effective. The company's environmental protection system has been designed and implemented in accordance with the relevant laws and regulations. The Supervisory Committee has also reviewed the company's social responsibility system and found that it is effective. The company's social responsibility system has been designed and implemented in accordance with the relevant laws and regulations. The Supervisory Committee has also reviewed the company's labor relations system and found that it is effective. The company's labor relations system has been designed and implemented in accordance with the relevant laws and regulations. The Supervisory Committee has also reviewed the company's labor dispute resolution system and found that it is effective. The company's labor dispute resolution system has been designed and implemented in accordance with the relevant laws and regulations.

3. Opinion of the Supervisory Committee on the Actual Use of Proceeds from

Case VIII Significant Events

I. PROFIT DISTRIBUTION OF ORDINARY SHARES AND SHARE CAPITAL INCREASE BY WAY OF TRANSFER FROM CAPITAL RESERVES OF THE COMPANY

For the year ended December 31, 2017, the Company has achieved a profit of RMB 1,114,100,000 (before tax) and RMB 869,100,000 (after tax) for the year.

✓ According to the Company's Articles of Association:

The Company's Articles of Association stipulate that the profit distribution of the Company shall be made in the following order: first, to pay the dividends of the previous year; second, to pay the dividends of the current year; and third, to distribute the remaining profit to the shareholders in proportion to their respective shareholdings. The Company's Articles of Association also stipulate that the Company shall not distribute dividends if the Company is in a state of insolvency or if the distribution of dividends would result in the Company becoming insolvent.

Based on the Company's Articles of Association and the relevant provisions of the Company Law of the People's Republic of China, the Company has adopted the following profit distribution policy:

Particulars of Cash Dividend Policy	
When the Company has a profit, it shall distribute cash dividends to the shareholders.	Yes
When the Company has a profit, it shall distribute cash dividends to the shareholders in proportion to their respective shareholdings.	Yes
When the Company has a profit, it shall distribute cash dividends to the shareholders in proportion to their respective shareholdings.	Yes
When the Company has a profit, it shall distribute cash dividends to the shareholders in proportion to their respective shareholdings.	Yes
When the Company has a profit, it shall distribute cash dividends to the shareholders in proportion to their respective shareholdings.	Yes
When the Company has a profit, it shall distribute cash dividends to the shareholders in proportion to their respective shareholdings.	Yes

The Company's first dividend was declared on December 31, 2017, with a total amount of RMB2.70 per share (including tax). The Company's first dividend was declared on December 31, 2017, with a total amount of RMB2.70 per share (including tax).

The dividend amount for the first dividend of 2017: based on the total number of shares outstanding at the end of the reporting period, the dividend amount for the first dividend of 2017, declared on December 31, 2017, was RMB2.70 per share (including tax). The total amount of the first dividend of 2017 was RMB2,982,889,136. The dividend was declared on December 31, 2017, with a total amount of RMB805,380 per share (including tax). The dividend was declared on December 31, 2017, with a total amount of RMB805,380 per share (including tax).

The dividend amount for the first dividend of 2016: based on the total number of shares outstanding at the end of the reporting period, the dividend amount for the first dividend of 2016, declared on December 31, 2016, was RMB0.6 per share (including tax). The total amount of the first dividend of 2016 was RMB179,837.

The dividend amount for the first dividend of 2015: based on the total number of shares outstanding at the end of the reporting period, the dividend amount for the first dividend of 2015, declared on December 31, 2015, was RMB2.20 per share (including tax). The total amount of the first dividend of 2015 was RMB654,822.

Cash dividend payments of ordinary shares of the Company for the past three years (including the Reporting Period)

Unit: RMB million

Year	Amount of cash dividend (including tax)	Net profit attributable to ordinary Shareholders and other equity holders of the Company in the consolidated statements of the year declaring	% of net profit attributable to ordinary Shareholders and other equity holders of the Company in the consolidated statements	Amount of cash dividend in other ways	% of cash dividend in other ways
2017 (Period)	805,380	2,509,242	32.10%	0	0
2016	179,837	539,660	33.32%	0	0
2015	654,822	2,026,613	32.31%	0	0

The Company recorded a profit during the Reporting Period, and the profit distributable to the ordinary Shareholders of the Company was positive. However, the Company did not propose a cash dividend distribution plan of ordinary shares.

Applicable Not applicable

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

✓ Available Not available

Number of shares (10 shares)	0
Amount (RMB) (10 shares)	2.70
Number of shares (10 shares)	0
Balance of share premium (10 shares)	2,982,889,136
Total amount (RMB) (10 shares)	805,380,067
Dividend (RMB)	2,189,653
% of total amount	100%

Description of cash dividend

W e e e C a d e e g a g e b a a c a a e e d e a a g e e e d e d d e d e f f c a a b e e a 80% f e a f d e d g f . W e e e C a a d e e e d a g e b a a c a a e e d e a a g e e e d e d d e d e f f c a a b e e a 40% f e a f d e d g f .

Description of details of profit distribution or share capital increase by way of transfer from capital reserves

B a e d e G ' 2017 e a e a d a i g a c c e G ' l e a c d f f a c a a d c a f e B a d e c e d e d a f a d e d f R M B 0 . 2 7 e a e (c d g a c a b e a e) f e e a f 2017 . T e e d d a f e f a d e d f 2017 b e c S a e d e ' a l a a e a a g e e a e e g .

III. PERFORMANCE OF COMMITMENTS

1. Commitments Performed during the Reporting Period and Not Yet Fulfilled as at the End of the Reporting Period by the Company, Shareholders, the DE Facto Controller, Acquirer, Director, Supervisor, Senior Management or Other Related Parties

All commitments are fulfilled Not all commitments are fulfilled

Commitment	Promisor	Contents of commitment	Date of commitment	Commitment period	Implementation
On August 15, 2012, the Company signed a commitment letter with the shareholders of the Company, the DE Facto Controller, Acquirer, Director, Supervisor, Senior Management or Other Related Parties.	TeC a	According to the Company's business plan, the Company will continue to invest in the construction of the HS container terminal in the Yangtze River Delta region. The Company will continue to invest in the construction of the HS container terminal in the Yangtze River Delta region. The Company will continue to invest in the construction of the HS container terminal in the Yangtze River Delta region.	2012/8/15	Before the end of the reporting period	Completed
The Company signed a commitment letter with the shareholders of the Company, the DE Facto Controller, Acquirer, Director, Supervisor, Senior Management or Other Related Parties.	TeC a	Shareholders' meeting (2016-2018)	2016/4/8	2016-2018	Completed

2. The Company has Made Profit Forecasts on its Assets or Projects, and the Profit Forecast Period is within the Reporting Period. The Company has To State Whether the Original Profit Forecasts on Assets or Projects are Fulfilled and the Reasons Therefore

All commitments are fulfilled Not all commitments are fulfilled

Significant Events

IV. APPROPRIATION OF THE LISTED COMPANY'S FUNDS BY CONTROLLING SHAREHOLDERS AND THEIR RELATED PARTIES FOR NON-OPERATING PURPOSES

Applicable Not applicable

The Company has not found any appropriation of funds by controlling shareholders and their related parties for non-operating purposes.

V. STATEMENTS OF THE BOARD, THE SUPERVISORY COMMITTEE AND THE INDEPENDENT DIRECTORS ON THE "NON-STANDARD AUDITING REPORT" ISSUED BY THE ACCOUNTANT DURING THE REPORTING PERIOD

Applicable Not applicable

VI. EXPLANATION OF CHANGES IN ACCOUNTING POLICIES, ACCOUNTING ESTIMATES AND AUDIT METHOD IN COMPARISON WITH THE FINANCIAL REPORT OF THE PREVIOUS YEAR

Applicable Not applicable

Significant changes in accounting policy: government grants and non-current assets held for sale, disposal groups and discontinued operation

As of the end of the reporting period, the Board of Directors of the Company decided to change the accounting policy for government grants, non-current assets held for sale, disposal groups and discontinued operation. The Company has adopted the new accounting policy from January 1, 2017, and the change is retrospective. The Company has also adopted the new accounting policy for government grants, non-current assets held for sale, disposal groups and discontinued operation from January 1, 2017, and the change is retrospective.

Subsequent to the change in accounting policy, (1) the Company has adopted the new accounting policy for government grants, non-current assets held for sale, disposal groups and discontinued operation from January 1, 2017, and the change is retrospective. The Company has also adopted the new accounting policy for government grants, non-current assets held for sale, disposal groups and discontinued operation from January 1, 2017, and the change is retrospective. (2) the Company has adopted the new accounting policy for government grants, non-current assets held for sale, disposal groups and discontinued operation from January 1, 2017, and the change is retrospective.

VII. EXPLANATION OF RETROSPECTIVE RESTATEMENT FOR ADJUSTMENT OF SIGNIFICANT ACCOUNTING ERRORS OCCURRED DURING THE REPORTING PERIOD

Applicable Not applicable

The Company has not found any significant accounting errors occurred during the reporting period.

VIII. EXPLANATION OF CHANGES IN THE SCOPE OF CONSOLIDATED STATEMENTS IN COMPARISON WITH FINANCIAL REPORT OF PREVIOUS YEAR

A change No change

Refer to the relevant items in the consolidated financial statements for details.

IX. ENGAGEMENT AND DISENGAGEMENT OF FIRMS OF ACCOUNTANTS

The firms of accountants engaged currently

Engaged firm	Price	Engaged firm	Price
PricewaterhouseCoopers	RMB13,460,000	Zhongtao	RMB11,660,000
	(including fee for internal control and auditing)		(including fee for internal control and auditing)
			RMB1,800,000
China Certified Public Accountants	6 ea	Zhongtao	
CPA firm		Wei, Cao, Zhang	

Whether to appoint another accounting firm during the Reporting Period

Yes No

Refer to the relevant items in the consolidated financial statements for details.

Particulars on recruitment of accounting firms, financial consultants or sponsors for internal control and auditing purposes

A change No change

Refer to the relevant items in the consolidated financial statements for details.

X. SUSPENSION IN TRADING OR DELISTING UPON DISCLOSURE OF ANNUAL REPORT

A change No change

XI. BANKRUPTCY OR REORGANISATION RELATED ISSUES

A change No change

Refer to the relevant items in the consolidated financial statements for details.

XII. MATERIAL LAWSUITS AND ARBITRATIONS

A change No change

Refer to the relevant items in the consolidated financial statements for details.

XIII. PENALTIES AND REMEDIES

Accidents: No accidents

During the reporting period, there were no accidents related to the company.

XIV. THE CREDIT WORTHINESS OF THE COMPANY AND ITS CONTROLLING SHAREHOLDERS AND THE DE FACTO CONTROLLER

During the reporting period, the company's creditworthiness was effectively maintained, and the company's creditworthiness was effectively maintained.

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

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

In order to attract and retain the company's management and employees, and effectively combine the

More information regarding the Company's share options as at 31 December 2017 are set out as follows:

	Date of grant	Number of underlying shares comprised in A share options							Exercise price per share (RMB)	Exercise period
		Balance as at 1 January 2017 (share)	Exercisable during the year (share)	Transferred to/from other categories during the year (share)	Granted during the year	Exercised during the year (share)	Lapsed during the year (share)	Balance as at 31 December 2017 (share)		
Director, Mr. Bao	2010.9.28	2,850,000	2,850,000					2,850,000	10.49	2015.6.2 2020.9.27
Director, Mr. Tang	2010.9.28	5,662,000	5,662,000 (None)	(351,250)				5,310,750	10.49	2015.6.2 2020.9.27
Director, Mr. Tang	2010.9.28	13,051,890	13,051,890 (None)	351,250		3,821,050		9,582,090	10.49	2015.6.2 2020.9.27
	2011.9.22	3,665,650	3,665,650			491,100		3,174,550	16.02	2015.10.24 2020.9.27
Total		25,229,540	25,229,540			4,312,150		20,917,390		

Note:

Significant Events

Director Re-granted, and the 2009 Executive Share Option and 2011 Executive Share Option were amended. 1,384,000 were granted under the 2014 Executive Share Option. The above were cancelled under the CIMC Executive Share Option as at December 31, 2017:

Number of underlying shares comprised in share options									
Name of the grantee	Date of Grant	Balance as at 1 January 2017	Granted during the year	Exercised during the year	Transferred to/from other categories during the year	Lapsed during the year	Balance as at 31 December 2017	Exercise price per share HK\$	Exercise period
Director of CIMC Group Gao Xiaogang	2009.11.11	1,000,000					1,000,000	4.00	2010.11.11-2019.11.10
	2011.10.28	500,000					500,000	2.48	2013.10.28-2021.10.27
	2014.06.05	400,000					400,000	11.24	2016.06.05-2024.06.04
Yang Xiaoli	2009.11.11	164,000					164,000	4.00	2010.11.11-2019.11.10
	2011.10.28	200,000					200,000	2.48	2013.10.28-2021.10.27
	2014.06.05	400,000					400,000	11.24	2016.06.05-2024.06.04
Jiang Jiaqiang	2009.11.11	800,000					800,000	4.00	2010.11.11-2019.11.10
	2011.10.28	300,000					300,000	2.48	2013.10.28-2021.10.27
	2014.06.05	300,000					300,000	11.24	2016.06.05-2024.06.04
Wang Yuli	2009.11.11	698,000					698,000	4.00	2010.11.11-2019.11.10
	2011.10.28	300,000					300,000	2.48	2013.10.28-2021.10.27
	2014.06.05	300,000					300,000	11.24	2016.06.05-2024.06.04
Jiang Yuge	2009.11.11	500,000					500,000	4.00	2010.11.11-2019.11.10
	2011.10.28	300,000					300,000	2.48	2013.10.28-2021.10.27
	2014.06.05	300,000					300,000	11.24	2016.06.05-2024.06.04
Wang Chuanhua	2009.11.11	500,000					500,000	4.00	2010.11.11-2019.11.10
	2011.10.28	300,000					300,000	2.48	2013.10.28-2021.10.27
	2014.06.05	300,000					300,000	11.24	2016.06.05-2024.06.04

Number of underlying shares comprised in share options

	Date of Grant	Balance as at 1 January 2017	Granted during the year	Exercised during the year	Transferred to/from other categories during the year	Lapsed during the year	Balance as at 31 December 2017	Exercise price per share HK\$	Exercise period
T h e P a g e	2011.10.28	300,000					300,000	2.48	2013.10.28-2021.10.27
	2014.06.05	300,000					300,000	11.24	2016.06.05-2024.06.04
Z a g e a	2011.10.28	300,000					300,000	2.48	2013.10.28-2021.10.27
	2014.06.05	300,000					300,000	11.24	2016.06.05-2024.06.04
E e f C I M C E , c	2009.11.11	8,422,000		(246,000)			8,176,000	4.00	2010.11.11-2019.11.10
	2011.10.28	22,172,000		(3,304,000)			18,868,000	2.48	2013.10.28-2021.10.27
	2014.06.05	29,254,000			(1,384,000)		27,870,000	11.24	2016.06.05-2024.06.04
O e a c a	2009.11.11	8,330,000		(2,000,000)			6,330,000	4.00	2010.11.11-2019.11.10
	2011.10.28	1,882,000		(264,000)			1,618,000	2.48	2013.10.28-2021.10.27
	2014.06.05	4,750,000					4,750,000	11.24	2016.06.05-2024.06.04
T a		83,572,000		(5,814,000)	(1,384,000)		76,374,000		

XVI. MATERIAL CONNECTED TRANSACTIONS

1. Connected Transactions as Defined by Domestic Laws and Regulations

(1) Connected Transactions Relating to Daily Operations

Unit: RMB million



Related party	Relationship with the Group	Type of the connected transaction	Details of the connected transaction	Pricing principle	Price
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Chapter VIII
Significant Events

Related party	Relationship with the Group	Type of the connected transaction	Details of the connected transaction	Pricing principle	Price	Amount	Proportion to transaction amount of the same category	Approved Cap	Whether approved cap has been exceeded	Settlement Method	Available market price of the same transaction category	Disclosure Date	Disclosure index
Free Choice Limited (SPV)	Subsidiary	Share purchase	Share purchase	Reference to the market price		372,760						2016.11.12	Chapter VIII, Section 1
Free Choice Container Limited	Subsidiary	Share purchase	Share purchase	Reference to the market price		171,003						2016.11.12	Chapter VIII, Section 1
Free Choice Container Limited	Subsidiary	Share purchase	Share purchase	Reference to the market price		108,475							
Free Choice Container Limited	Subsidiary	Share purchase	Share purchase	Reference to the market price		78,943							

Significant Events

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

Applicable Not applicable

(3) Connected Transactions Relating to Joint External Investments

Applicable Not applicable

(4) Claims and Liabilities among the Connected Transactions

Applicable Not applicable

We are a related party of the company and have received the following claims:

Yes No

Claims receivable from the related party

Unit: RMB million

Related party	Relationship with the Group	Reason	Any appropriation of funds for non-operating purposes	Opening Balance	Amount increased during the current period	Amount recovered during the current period	Interest rate	Interest for the current period	Closing balance
Zhejiang CIMC Equipment Leasing & Finance Co., Ltd.	Associated Party	Other receivables	No	824,391		496,601		3,460	331,250
Sagaya Feigang Real Estate Development Co., Ltd.	Associated Party	Other receivables	No	34,204					34,204
Nanjing Aac Freight Ltd.	Associated Party	Other receivables	No	10,629	2,266			918	13,813
Xiawangdong KGC Co., Ltd.	Associated Party	Other receivables	No	4,361		286			4,075
Sagax Baqo Vehicle Co., Ltd.	Jointly Controlled Entity	Other receivables	No		12,300			108	12,408
Effectively cancelled <input checked="" type="checkbox"/>									

Liabilities payable to the related party

Unit: RMB 10,000,000

Significant Events

(2) Continuing Connected Transactions/Ordinary Related-Party Transactions

The Company entered into a Service Framework Agreement (the Framework Agreement) on November 20, 2016 with COSCO SHIPPING Development Co., Ltd. (referred to as COSCO SHIPPING Development), a company controlled by COSCO SHIPPING Development Group (referred to as COSCO SHIPPING Development Group) and entered into an agreement with a company controlled by COSCO SHIPPING Development Group on December 31, 2017, 2018 and 2019.

1) Service Framework Agreement:

Parties involved:

The service fee for each year is calculated by COSCO SHIPPING Development Group (referred to as COSCO SHIPPING Development Group) according to the following formula: (a) The basic fee is calculated according to the formula: (b) The fee for each year is calculated according to the formula: (c) The fee for each year is calculated according to the formula: COSCO SHIPPING Development Group (referred to as COSCO SHIPPING Development Group) is the service provider and the Company is the service recipient. The fee for each year is calculated according to the formula: COSCO SHIPPING Development Group (referred to as COSCO SHIPPING Development Group) is the service provider and the Company is the service recipient.

Term:

The agreement is valid from January 1, 2017 to December 31, 2019 (both dates inclusive). The fee for each year is calculated according to the formula: COSCO SHIPPING Development Group (referred to as COSCO SHIPPING Development Group) is the service provider and the Company is the service recipient.

2) Transaction on December 31, 2017:

In 2017, the Company entered into a transaction with COSCO SHIPPING Development Group (referred to as COSCO SHIPPING Development Group) for a total amount of RMB785,052,000, of which RMB450,000 was paid on December 31, 2017.

The transaction is a purchase of goods from COSCO SHIPPING Development Group (referred to as COSCO SHIPPING Development Group) for a total amount of RMB785,052,000, of which RMB450,000 was paid on December 31, 2017. The transaction is a purchase of goods from COSCO SHIPPING Development Group (referred to as COSCO SHIPPING Development Group) for a total amount of RMB785,052,000, of which RMB450,000 was paid on December 31, 2017.

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On December 28, 2017, COSCO SHIPPING Group (the "Company") announced that it had completed the acquisition of 100% equity interest in COSCO SHIPPING Container Services (Shanghai) Co., Ltd. (the "Company"). The acquisition was completed in accordance with the relevant laws and regulations. The Company has completed the acquisition of 100% equity interest in COSCO SHIPPING Container Services (Shanghai) Co., Ltd. on December 28, 2017. The acquisition was completed in accordance with the relevant laws and regulations. The Company has completed the acquisition of 100% equity interest in COSCO SHIPPING Container Services (Shanghai) Co., Ltd. on December 28, 2017. The acquisition was completed in accordance with the relevant laws and regulations.

The Company's 2018 financial results are expected to be significantly improved compared to 2017. The Company's 2018 financial results are expected to be significantly improved compared to 2017. The Company's 2018 financial results are expected to be significantly improved compared to 2017. The Company's 2018 financial results are expected to be significantly improved compared to 2017. The Company's 2018 financial results are expected to be significantly improved compared to 2017.

Significant Events

4) De c f e c e c e d (e a e d) , e a b e e e e a e e , a a c :

COSCO SHIPPING De e e e d g c a f L g H l e e L e d (Long Honour) a d COSCO C a e l d , e L e d (COSCO Container Industries) (d g a a f 432,171,843 A S a e a d 245,842,181 H S a e , a c c g f , 22.73% f e a a e c a a f e C a a a e e d f e R e , g P e d) . T e f , e , COSCO SHIPPING De e e a d b d a e a e , e g a d e a c e c e d a e f e C a f , e f C a e , 14A f e H g K g L g R e . T e , a a c c e a e d d e , e F a e . A g e e e e e e d b e e e G a d COSCO SHIPPING De e e G c e c g c e c e d , a a c f e C a d e C a e , 14A f e H g K g L g R e . F a e e s e e L g R e , COSCO SHIPPING De e e a d e C a a e , e a e d a e e a c e a d e f e , a a c b e e e COSCO SHIPPING De e e G a d e G c e d a , e a e d - a , a a c .

5) F e f e , a a c :

COSCO SHIPPING De e e G c a e g a g e d , l d g e g a e d f a c a e , c e d e f e d e a g b e e c a l e e e a g c a e , e a g a d - g f a c e e a g , a d a d a e e d a g e c a e g b e . G e e g e , e a b e b e e a e a b e e e G a d COSCO SHIPPING De e e a d b d a e c a e , e e e e d D , e c , (c d g e d e e d e - e e d l e D , e c ,) c d e , a b e f c a f , e G c e a e e c g c e c e d , a a c c f a c a e e e a a d g f e G a b e . T e e e e d D , e c , (c d g e d e e d e - e e d l e D , e c ,) c d e , a e e f e F a e . A g e e e e e c f e c g c e c e d , a a c (c d g e , e d a a c a) a e f a , a d , e a a b e , e c g c e c e d , a a c (c d g e , e d e e a a c a) a e , a c e c a e , b e e a d e d a a d a c t , e f b e f e G a d a e e e e f e C a a d e S a e d e a a e .

6) F e , e g e g e e e a c , e g a d g c g c e c e d , a a c :

C d e , g a e a c t a , a a c a e e c e d e d e f , e c a e d 2017 , e G a e a b e d a e , e f e a , e a d c e , c d g c , a c a a g e e c e , c e c e c e d , a a c a a g e e e a , e a d e a c a a g e e e a , e , d e , e e e a e c g c e c e d , a a c a e c d c e d a c c , d a c e e c d a e f a e , a g e e e . T e C a a d g a d , g d e a e c d c c e d e d e , a a e e e e a c , e a , e f e C a , e e a e e e , a c , e a , e e e c f e c g c e c e d , a a c e a c e e a d e f f e c . T e C a e e a a d , c d c a a a a d e C a , e a c , e a , e , a d a a a e e e c g c e c e d , a a c c d c e d d e , e F a e . A g e e e a e , e e , e e d e , e H g K g L g R e . T e G e e a c e e g f e c g c e c e d , a a c , c d c , e f e e c e c a d , l e e e , g a d d e a e f e G . T e G e g a e COSCO SHIPPING De e e f , b g e a e e a d f a e , e a e , e g a d g e c g c e c e d , a a c / d a , e a e d - a , a a c f , e c e c f e , a a c a l l e d e e .

7) 1. 2017年12月31日止，本公司：

1. 2017年12月31日止，本公司：
 1. 2017年12月31日止，本公司：
 1. 2017年12月31日止，本公司：

1. 2017年12月31日止，本公司：
 1. 2017年12月31日止，本公司：
 1. 2017年12月31日止，本公司：

1. 2017年12月31日止，本公司：
 1. 2017年12月31日止，本公司：

1. 2017年12月31日止，本公司：
 1. 2017年12月31日止，本公司：

1. 2017年12月31日止，本公司：
 1. 2017年12月31日止，本公司：

8) 2. 2017年12月31日止：

1. 2017年12月31日止，本公司：
 1. 2017年12月31日止，本公司：
 1. 2017年12月31日止，本公司：

1. 2017年12月31日止，本公司：
 1. 2017年12月31日止，本公司：

1. 2017年12月31日止，本公司：
 1. 2017年12月31日止，本公司：
 1. 2017年12月31日止，本公司：

1. 2017年12月31日止，本公司：
 1. 2017年12月31日止，本公司：

1. 2017年12月31日止，本公司：
 1. 2017年12月31日止，本公司：

(3) Connected Transactions and Related-Party Transactions

1. 2017年12月31日止，本公司：
 1. 2017年12月31日止，本公司：
 1. 2017年12月31日止，本公司：
 1. 2017年12月31日止，本公司：
 1. 2017年12月31日止，本公司：
 1. 2017年12月31日止，本公司：
 1. 2017年12月31日止，本公司：
 1. 2017年12月31日止，本公司：

XVII. MATERIAL CONTRACTS AND THEIR PERFORMANCES

1. Trusteeship, Contracting or Leasing

(1) Trusteeship

Applicable Not applicable

During the reporting period, there are no trusts or trust agreements entered into by the Company or its subsidiaries.

(2) Contracting

Applicable Not applicable

During the reporting period, there are no contracts entered into by the Company or its subsidiaries.

(3) Leasing

Applicable Not applicable

During the reporting period, there are no leasing agreements entered into by the Company or its subsidiaries.

2. Material Guarantees

Applicable Not applicable

(1) Description of Guarantees

Unit: RMB 10,000

External guarantees undertaken by the Company and its subsidiaries (excluding guarantees for subsidiaries)									
Name of the guaranteed	Disclosure date of the announcement about the guarantee facilities	Guarantee facilities	Actual date (date of the agreement)	Actual amount of guarantee	Type of guarantee	Guarantee period	Fulfilled or not	Related party guarantee or not	
Guarantee for CIMC Vehicle (G...)	2017.3.28	2,650,000	2017.1.1	820,271	Warehouse	1-2 years	N	N	
Guarantee for CIMC Container	2017.3.28	1,600,000	2017.1.1	339,442	Warehouse	1-2 years	N	N	
Guarantee for CIMC Container	2017.3.28	740,000	2017.1.1	627,323	Warehouse	1-2 years	N	N	
Guarantee for CIMC Raffia	2017.3.28	382,000	2017.1.1	258,646	Warehouse	1-2 years	N	N	
				1,122,000					885,969
				5,372,000					2,045,682

The Company's guarantees for subsidiaries									
Name of the guaranteed	Disclosure date of the announcement about guarantee facilities	Guarantee facilities	Actual date (date of the agreement)	Actual amount of guarantee	Type of guarantee	Guarantee period	Fulfilled or not	Related Party Guarantee or not	
Guarantee for CIMC	2017.3.28	24,172,570	2017.1.1	7,436,520	Warehouse	1-2 years	N	N	
CIMC Finance Ltd	2017.3.28	30,000,000	2017.1.1	22,358,040	Warehouse	1-2 years	N	N	
				35,651,530					11,738,790
				54,172,570					29,794,560

Subsidiaries' guarantees for subsidiaries									
Name of the guaranteed	Disclosure date of the announcement about guarantee facilities	Guarantee facilities	Actual date (date of the agreement)	Actual amount of guarantee	Type of guarantee	Guarantee period	Fulfilled or not	Related Party Guarantee or not	
Guarantee for CIMC	2017.3.28	12,573,650	2017.1.1	4,307,420	Warehouse	1-2 years	N	N	
				6,731,980					269,960
				12,573,650					4,307,420
Total guarantee of the Company (total of the above three items)									
				43,505,510					12,894,719
				72,118,220					36,147,662

Significant Events

(2) Illegal External Guarantees

Applicable Not applicable

3. Entrusted Cash or Assets Management

(1) Entrusted Wealth Management

Applicable Not applicable

(2) Entrusted Loans

Applicable Not applicable

Entrusted Loans During the Reporting Period

Unit: RMB million

Total amount of entrusted loans	Source of funds for entrusted loans	Remaining balance not yet due	The amount due but not recovered
	Self-raised	3,249	

The specific circumstances of a high-risk entrusted loan with a single significant amount or low security, poor liquidity, and no guarantee for principal repayment.

None

Unable to recover the principal of entrusted loans or other circumstances that may result in impairment

Applicable Not applicable

4. Other Material Contracts

Applicable Not applicable

XVIII. SOCIAL RESPONSIBILITY

1. Performance of Precise Poverty-alleviation Social Responsibility

Applicable Not applicable

During the reporting period, the Company actively engaged in precise poverty-alleviation social responsibility activities.

2. Performance of Other Social Responsibilities

The Company has established the 2016 Environmental, Social and Governance Policy and the 2017 Social Responsibility and Environmental, Social and Governance Policy. The Company has established the Environmental Management System (EMS), the Occupational Health and Safety Management System (OHSMS) and the Energy Conservation Management System (ECMS).

We have established a standard management system for 55 production sites, including the following:

✓ Yes N N/A Canceled

Name of Company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	P55 pollutant emission standards in effect	Total emission	Approved total emission	Excessive emission
Shenzhen CIMC Eastern Logistics Manufacturing Co., Ltd.	VOC	Fixed and mobile sources	17	Acid rain	Total VOC: 4.57 g/m ³ Sulfur dioxide: 0.08 g/m ³ Nitrogen dioxide: 0.039 g/m ³ (Average from Dec 2017)	Total VOC: 90 g/m ³ Sulfur dioxide: 20 g/m ³ Nitrogen dioxide: 1 g/m ³ Total suspended particulate matter: 1 g/m ³ VOC: 1 g/m ³ The company's factory, Guangdong Province Container Manufacturing Industry Volatile Organic Compound Emission Standard (GB16297-1996)	VOC: 121,265 (calculated based on actual data)	VOC: 121,265 (calculated based on actual data)	N
Nanjing CIMC Container Co., Ltd. (China Nanjing CIMC Eastern Logistics Manufacturing Co., Ltd.)	VOC	Fixed and mobile sources	3+6	Acid rain	Average: 2.87 g/m ³	Legal standard: 1 g/m ³ Standard for P55: 1 g/m ³ (GB16297-1996)	2.68	2.68	N
Taiwan CIMC Eastern Logistics Manufacturing Co., Ltd.	VOC	Fixed and mobile sources	3+6	Acid rain	Average: 0.7936 g/m ³ Average: 19.902 g/m ³	Standard for P55: 1 g/m ³ (GB16297-1996)	13.85	13.85	N
					0.0513	Standard for P55: 1 g/m ³ (GB16297-1996)	24.51	24.51	N
						Standard for P55: 1 g/m ³ (GB16297-1996)	71.78	71.78	N

Significant Events

Name of Company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission	Approved total emission	Excessive emission
SOE	Water	Collection	1				45000	45360/a	N
	COD (g/)	Collection	1		91	500	4.095	4.534/a	N
	NH3-N (g/)	Collection	1		7.04	45	0.2	0.2/a	N
	Particulate matter	Collection	1		7.8 g/m ³	120 g/m ³			
	Mercury	Collection	1		0.46 g/m ³	40 g/m ³			
	Xenon	Collection	1		0.34 g/m ³	70 g/m ³			
Se e CIMC-Tanda Ar r r C., Ld.	Electrolysis, ammonia, formaldehyde, TVOC, benzene, acetone	Collection	3	Storage	Be e c g e : 0.102-0.147, f e b e e a d e e:6.74-10.6 g/m ³ , a VOC :13-21.6 g/m ³ , a t a e a e:4.37-4.62 g/m ³	Sec d a d d de e ll f DB44/21-2001,E S a d d f v a e Q g a c C d f, r i a c e c a g (e c e a f a c t o r y g d r)	Be e e:76.2 g/ea, e b e e e a d e e: 5512 g/ea, TVOC :9934.8 g/ea, Pa t a e a e:2782 g/ea	1,528 a d d t b c (a e / e a e g a e a d e e e a g e e)	E e e e c a c e a d d
	Sulfur dioxide	Collection	5	Storage	3.52-9.15 g/m ³	DB44/21-2001 E II S a d d L e e 2	Pa t a e a e: 1212 g/ea		E e e e c a c e a d d
	Formaldehyde	Collection	1	Treatment	0.6-0.7 g/m ³	DB44/21-2001 E II S a d d L e e 2	26.3 g/ea		E e e e c a c e a d d
	Ammonia	Collection	1	Back	R g e a e a c e<1	DB44/21-2001 E II S a d d L e e 2	R g e a e a c e<1		E e e e c a c e a d d

Construction and operation of pollution prevention and control facilities

Name of subsidiary	Construction and operation of pollution prevention and control facilities
S e e S e CIMC Ea e, L g c E e Ma fact, g C., L d.	E a : ,ea e a ad c f e,+ac, aed cab ad , + de , + ae, ,a+UV ec g.C c c eeda d , a e. Wa e ae: ,ea e a ad c ag a ed e a +Fe e d+UASB+MBf ec g.Afe be g,ea ed e a e,ec c g e, e a e ae, be, e eda d ac e g e e C c c eeda d , a e.
Na g CIMC-S eca Ta a e E e Ma fact, e C., L d.	D , d ced f, e a d g, ce be ga e,ed b d ced fa a d , g f e f, d e a. T e a a d ,ga ce a , d ced b eca gf, - e f S eca Ta , a e c a d, g eca g, ce, ae , fed a d, ea ed b e a e c, a , a + a f e, + - age ac, aed cab ad , + l e, ec, e de ce. T eca g ec d- e f S eca Ta , a e c a e a e c, a , a + a f e,+ac, aed cab ad , a d de , ca a c c b de ce f, e d , ea e .
CIMC Ve ce (G) C., L d.	1 e f, d c a e ae, ea e fac e c e, ea e ec e fce ca ,ec a f, ec ced a e ae f, ae- ba ed a ed c a g e. T e, ea e ca ac 5 ^{3/} , e e 7 e fe a ,ea e fac e c e e, ea e ec e f a e d, a f e,+ac, aed cab ad , . T a d e 450,000 ^{3/} . E a ga be e eda g a de afe, ea e .
Na g CIMC Ta , E e C., L d.	P e e a dc , fac e f, a ega a d ae, ead d a e, d ced d, g e, dc , ce f e C a ae ace a d , a e.
SOE	T e a e ae, ea e a a c eeda d e a 2008. T e C a , a e ae, a ega ed e e e , f e a , a e ae, ea e a 2012, a d ef e e, e e a eda g COD g. T e a a eda age e e a c eed 2008 a d d e e ad g d g, de. S ee ae e, ea e e (f e, bag, d e l g ca, dge, ac, aed cab a , ea e) ae , a e. I de be ed g e , fe, (3 e), a af g e a ae g d g, de. S d a ec ec a d , age fac e ae , a e.
S e e CIMC-Ta Da A, S , L d.	E ed e age, ea e fac (1 e), a e gaged e , ea e f a a , g a e ae, ec c ga d e f e, ea ed ae a d a e ae-fee, dc T e e e d e , a , ea d de, eg a , a e a ce. E ed , a a e a , ea e fac e (3 e). T e e e d e , a e. E ed a d ge a , ea e de ce (3 e). T e e e d e a e. E ed a d cea g- e a , ea e de ce (2 e) T e e e d e , a e. E ed c , gf e f e, de ce (1 e). T e e e d e , a e. E ed e ge ea e a , ea e de ce (1 e). T e e e d e , a e. E ed 1 e , a age ca f, a ad a e, a face a ea fa , ae 30 ae e e. T e fac d e , a e.

Contingency plans for unexpected environment-related events

The Company has established a contingency plan for unexpected environment-related events. The plan includes measures to prevent and reduce environmental risks, and to respond to environmental incidents in a timely and effective manner. The plan also includes measures to restore the environment after an incident has occurred.

Self-monitoring environmental program

The Company has established a self-monitoring environmental program. The program includes regular monitoring of environmental risks, and the implementation of corrective actions when necessary. The program also includes measures to improve environmental performance and to prevent environmental incidents.

Other discloseable environmental information

None

Other environment-related information

None

Whether the Company publishes social responsibility report

Yes No

Nature of the Company	Whether includes information on environment	Whether includes information on society	Whether includes information on corporate governance	Social responsibility report	
				Report disclosure standards	Whether includes information
Other	Yes	Yes	Yes	GSRI-CHINA 2.0 and GRI Environmental, Social and Governance Reporting Guidelines adopted in April 2017 and HK GRI	Yes

Significant Events

Detailed description:

1. We established a subsidiary company in Africa in 2017, which is now a member of the ISO 14001 certification system.
2. Total investment in Africa is 540,000 RMB.
3. The company has completed the construction of a new production line in Africa, which will increase the production capacity by 70%.

XIX. EXPLANATION ON OTHER MATERIAL EVENTS

1. On July 1, 2017, China Merchants Property Holdings Limited, a subsidiary of China Merchants Group, transferred a 5% shareholding interest in Shanghai Sae Limited (directly held by China Merchants Group) to China Merchants (CIMC) Industry Holdings Limited, a subsidiary of China Merchants Industry Holdings Limited, a subsidiary of China Merchants Industry Holdings Limited (China Merchants Industry Holdings).

Significant Events

- On 12 March 2018, the company decided to effect the reorganization of the Board of Directors in 2018, and the composition of the Board of Directors shall be adjusted according to the relevant provisions of the Articles of Association and the Charter of the Board of Directors. The company has held the 2018 Annual General Meeting on 9 June 2017, and the Board of Directors has held the 2017 Annual Meeting on 12 March 2018. The company has held the 2017 Annual Meeting on 12 March 2018. The company has held the 2017 Annual Meeting on 12 March 2018. The company has held the 2017 Annual Meeting on 12 March 2018.

XX. MATERIAL EVENTS OF SUBSIDIARIES OF THE COMPANY

- On 5 February 2017, the company and SOE and SOE Bank signed the Tea Tree Project Agreement. On 4 August 2017, the SOE and SOE Bank signed the Tea Tree Project Agreement. On 16 August 2017, the SOE and SOE Bank signed the Tea Tree Project Agreement. On 16 August 2017, the SOE and SOE Bank signed the Tea Tree Project Agreement.
- On 17 February 2017, the company and CIMC Shipyard signed the Re-employment Agreement. On 17 February 2017, the company and CIMC Shipyard signed the Re-employment Agreement. On 17 February 2017, the company and CIMC Shipyard signed the Re-employment Agreement.
- On 3 August 2017, the company and CIMC and CIMC Shipyard signed the Re-employment Agreement. On 3 August 2017, the company and CIMC and CIMC Shipyard signed the Re-employment Agreement. On 3 August 2017, the company and CIMC and CIMC Shipyard signed the Re-employment Agreement.

4.

Significant Events

8. On 12 March 2018, CIMC Transocean Container Services & Logistics (Shouzhong (Hong Kong))

Changes in Share Capital and Information on Shareholders

Share capital

4,498,500,000

Approval for changes in share capital

Share capital

4,498,500,000

Changes in Share Capital and Information on Shareholders

2. Changes in Shares with Selling Restrictions

✓ A table N a table

Unit: Share

Name of Shareholders	Number of shares with selling restrictions at the beginning of the Period	Number of shares with selling restrictions expired in the Period	Increase in number of shares with selling restrictions in the Period	Number of shares with selling restrictions at the end of the Period	Reasons for selling restrictions

II. ISSUE AND LISTING OF SECURITIES

1. Issue of Securities (excluding Preferred Shares) during the Reporting Period

Applicable Not applicable

2. Changes in the Total Number of Shares and Shareholder Structure of the Company, and Changes in Asset and Liability Structure of the Company

Applicable Not applicable

During the Reporting Period, a total of 4,312,150 shares were issued for the purpose of increasing the company's capital. The shares were issued in the form of ordinary shares (A Shares) and ordinary shares (H Shares) in accordance with the provisions of the Company's Articles of Association and the Company's Share Incentive Plan. The total number of shares issued was 4,312,150 shares, of which 1,000,000 shares were issued as A Shares and 3,312,150 shares were issued as H Shares. The total amount of funds raised was RMB13.86 billion. The shares were listed on the Shanghai Stock Exchange on August 1, 2016.

3. Existing Employee Shares

Applicable Not applicable

4. Non-public Issuance of A Shares Plan

On August 1, 2016, the company issued a total of 1,000,000 shares of A Shares to its employees through a non-public issuance. The shares were issued at a price of RMB13.86 per share, totaling RMB13.86 billion. The shares were issued in accordance with the provisions of the Company's Share Incentive Plan and the Company's Articles of Association. The shares were listed on the Shanghai Stock Exchange on August 1, 2016. The company has received the approval of the China Securities Regulatory Commission (CSRC) for the non-public issuance of A Shares. On September 30, 2016, the company received the CSRC's approval for the non-public issuance of A Shares (N.162937) (《中國證監會行政許可申請受理通知書》(162937號)) and the CSRC's feedback on the company's application for the non-public issuance of A Shares (N.162937) (《中國證監會行政許可項目審查反饋意見通知書》(162937號)). On October 14, 2016, the company received the CSRC's approval for the non-public issuance of A Shares (N.162937) (《中國證監會行政許可申請受理通知書》(162937號)) and the CSRC's feedback on the company's application for the non-public issuance of A Shares (N.162937) (《中國證監會行政許可項目審查反饋意見通知書》(162937號)). On December 18, 2017, the company received the CSRC's approval for the non-public issuance of A Shares (N.172937) (《中國證監會行政許可申請受理通知書》(172937號)) and the CSRC's feedback on the company's application for the non-public issuance of A Shares (N.172937) (《中國證監會行政許可項目審查反饋意見通知書》(172937號)). On January 11, 2018, the company received the CSRC's approval for the non-public issuance of A Shares (N.182937) (《中國證監會行政許可申請受理通知書》(182937號)) and the CSRC's feedback on the company's application for the non-public issuance of A Shares (N.182937) (《中國證監會行政許可項目審查反饋意見通知書》(182937號)).

Changes in Share Capital and Information on Shareholders

the Company received feedback from the shareholders. On March 9, 2018, the Company received the feedback from the shareholders regarding the Company's share capital and information on shareholders. The Company has taken the feedback into account and will continue to improve the Company's share capital and information on shareholders. The Company has also received the feedback from the shareholders regarding the Company's share capital and information on shareholders. The Company has taken the feedback into account and will continue to improve the Company's share capital and information on shareholders.

On March 23, 2018, the Company received the feedback from the shareholders regarding the Company's share capital and information on shareholders. The Company has taken the feedback into account and will continue to improve the Company's share capital and information on shareholders. The Company has also received the feedback from the shareholders regarding the Company's share capital and information on shareholders. The Company has taken the feedback into account and will continue to improve the Company's share capital and information on shareholders.

III. SHAREHOLDERS AND DE FACTO CONTROLLER

1. Number of Shareholders and Shareholdings of the Company

The number of shareholders of the Company as at December 31, 2017 was 71,384, and 71,371 shareholders of the Company as at December 31, 2018. The number of shareholders of the Company as at February 28, 2018 (being the end of the reporting period for the Company's 2017 annual general meeting) was 76,311 and 76,298 shareholders of the Company as at December 31, 2017 and December 31, 2018, respectively.

Changes in Share Capital and Information on Shareholders

Unit: Share

Beginning of the reporting period	71,371	End of the reporting period	76,311
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Shareholdings of the Shareholders who held above 5% or the top ten Shareholders at the end of the Reporting Period

Name of Shareholders	Nature of Shareholders	Percentage of shareholding	Number of shares held at the end of the Reporting Period	Changes during the Reporting Period	Number of shares held with selling restrictions	Number of shares held without selling restrictions	Pledged or frozen shares	
							Status	Number
HKSCC Limited (N e 1)	Foreign legal person	58.02%	1,730,538,352	79,225,281		1,730,538,352		
COSCO Container Line Limited (N e 2)	Foreign legal person	14.49%	432,171,843	0		432,171,843		
China Sea Far East Container Line Limited	State-owned legal person	2.61%	77,885,620					

State-owned legal person 0
 67333 Td/CBC 8(,)1d e e ed(37(Age (Na ,)1 Ba . ed)T 0.765 -1.333

Changes in Share Capital and Information on Shareholders

Shareholdings of top ten Shareholders without selling restrictions at the end of the Reporting Period

Name of Shareholders	Number of shares without selling restrictions held at the end of Reporting Period	Type of shares	
		Type of shares	Number
HKSCC Limited (Name 1)	1,716,411,609	Ordinary shares	1,716,411,609
COSCO Container Line Limited (Name 2)	432,171,843	RMB-denominated shares	432,171,843
China Shipping Finance Limited	77,885,620	RMB-denominated shares	77,885,620
China Shipping Finance Limited	37,993,800	RMB-denominated shares	37,993,800
National Social Security Fund 413	9,999,839	RMB-denominated shares	9,999,839
ICBC Credit Asset Management Co., Ltd. ICBC Credit Asset Management	9,566,600	RMB-denominated shares	9,566,600
Zhongrong Asset Management Co., Ltd. Zongrong Credit Asset Management	9,566,600	RMB-denominated shares	9,566,600
Beaifund Asset Management Co., Ltd. Beifund Credit Asset Management	9,566,600	RMB-denominated shares	9,566,600
Dacengfund Asset Management Co., Ltd. Daceng Credit Asset Management	9,566,600	RMB-denominated shares	9,566,600
Haierfund Asset Management Co., Ltd. Haier Credit Asset Management	9,566,600	RMB-denominated shares	9,566,600
Eaier Asset Management Co., Ltd.	0		
Eaier Asset Management Co., Ltd.	0		

Note 1: As at 31 December 2017, HKSCC Limited held 1,730,538,352 ordinary shares, of which 14,126,743 shares and 1,716,411,609 H shares. The H shares registered under HKSCC Limited (collectively 732,726,617 H shares) held by CIMA Group registered under (China COSCO Shipping) Limited, H shares 245,842,181 H shares held by COSCO Shipping Group (China COSCO Shipping), registered under (collectively 25,322,106 H shares) held by LGH Limited 220,520,075 H shares held by COSCO Container Line.

Note 2: As at 31 December 2017, COSCO Container Line held 220,520,075 H shares of CIMA. COSCO Container Line (as a subsidiary) held 432,171,843 H shares of CIMA.

The ordinary shares held by the above shareholders are registered in the People's Republic of China. The shares are listed on the Shanghai Stock Exchange.

Changes in Share Capital and Information on Shareholders

2. Controlling Shareholders of the Company

Applicable Not applicable

The corporate shareholder(s) does not control the Company directly or indirectly.

3. De Facto Controller

Applicable Not applicable

The de facto controller(s) does not control the Company directly or indirectly.

Whether there are any Shareholders at the ultimate controlling level with shareholdings above 10% in the Company

Yes No

Name of the corporate Shareholder	Legal representative/ Company leader	Date of establishment	Registered capital	Main business or management activities
China Merchants (CIMC) Limited	Wang Qiang, Chairman	17 January 1995	HK\$10,000	Shipping, shipping agent
COSCO Container Limited	Li Chang, Chairman Liang Mengdong	26 April 2004	US\$50,000	Shipping, shipping agent

Changes in de facto controller during the Reporting Period

Applicable Not applicable

De facto controller controls the Company through trust or other asset management

Applicable Not applicable

4. Other Corporate Shareholders with a Shareholding above 10%

Applicable Not applicable

5. Restrictions on Decrease in Shareholding by Controlling Shareholders, De Facto Controller, Reorganising Parties and Other Undertaking Parties

Applicable Not applicable

Changes in Share Capital and Information on Shareholders

IV. DISCLOSURE OF SHAREHOLDINGS OF THE SUBSTANTIAL SHAREHOLDERS UNDER THE SECURITIES AND FUTURES ORDINANCE OF HONG KONG

As at the end of the year, as at 31 December 2017, the following persons are the substantial shareholders of the Company as defined in Chapter XV of the Securities and Futures Ordinance of Hong Kong:

Name of Shareholder	Nature of shareholding	Number of shares	Capacity	Percentage of such shares in the issued share capital of the same class (%)	Percentage of such shares in the total share capital (%)

Changes in Share Capital and Information on Shareholders

Information on Substantial Shareholders

The basic information of China Merchants Group and COSCO S

China Merchants Group was established in October 1986 in the PRC. Its registered capital is RMB10.05 billion. It is a public company listed on the Shanghai Stock Exchange (600018). Its main business is to provide container services. It is the largest container operator in the world. It is also a major shareholder of COSCO Shipping. In 2017, China Merchants Group held 24.56% of the shares of COSCO Shipping (Group) Company Limited (CIMC) and 22.73% of the shares of COSCO Shipping Limited (CSL).

COSCO S was established in February 2016 in the PRC. Its registered capital is RMB11.0 billion. It is a public company listed on the Shanghai Stock Exchange (600019). Its main business is to provide container services. It is the largest container operator in the world. It is also a major shareholder of COSCO Shipping. In 2017, COSCO S held 22.73% of the shares of COSCO Shipping (Group) Company Limited (CIMC) and 22.73% of the shares of COSCO Shipping Limited (CSL).

Except for the above-mentioned China Merchants Group and COSCO S, there are no other substantial shareholders of the Company (as defined in the Listing Agreement).



海洋工程
業務

C a e X

I. BRIEF BIOGRAPHY OF THE DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

1. Directors

Information on the Directors is as follows:

Name	Gender	Age	Position	Term	Number of shares held	
					31 December 2016	31 December 2017
Wahid H. G.	M	55	Chairman and Independent Director	31 March 2016 to 31 March 2018	N	Nil
Wahid A. G.	M	56	Vice Chairman and Independent Director	31 March 2016 to 31 March 2018	N	Nil
Ma B. A. G.	M	58	Executive Director, CEO and Managing Director	31 March 2016 to 31 March 2018	494,702 (AS Shares)	494,702 (A Shares)
H. X. A.	M	48	Non-Executive Director	26 September 2017 to 31 March 2018	N	Nil
L. C. G.	M	47	Non-Executive Director	31 March 2016 to 31 March 2018	N	Nil
Pa C. E. G. E.	M	71	Independent Director	31 March 2016 to 31 March 2018	N	Nil
Pa Z. E. G.	M	64	Independent Director	31 March 2016 to 31 March 2018	N	Nil
W. G. K. A. H. E., Abe	M	66	Independent Director	31 March 2016 to 31 March 2018	N	Nil

B, ef b g a f D, ec , :

Mr. Wang Hong (王宏), aged 55, a bee e c a, a f e C a ce 28 Dece be, 2015 a d a D, ec , f e C a ce A, 2007. M, Wa g H g a bee e de ge e, a a age, f C a Me, c a G, ce Ma, c 2015, e ge e, a a age, f e a g de a, e f C a Me, c a G, f, Feb, a, 2011 Ma, c 2015, a d c efec f, Feb, a, 2012 A, 2015. M, Wa g H g a a bee a e ed e d, ec , f C a Me, c a H d g (l e, a a) C a L ed (c, e, e a ed a C a Me, c a P, H d g C a L ed, e a e a be) (H g K g c. c de: 144) ce Ma 2005, e c a, a f e e, c ee f C a Me, c a E e g S g C., L d f, A, 2014 16 e 2016, a d, ec , f C a Me, c a S e, l d, a Z e H d g C., L d. (招商局蛇口工業區控股股份有限公司) f, 26 e 30 Dece be, 2015 a d a de e de d, ec , f a g S a d l e, a a C a L ed f, e N, e be, 2014. M, Wa g H g a bee a d, ec , f C a Me, c a E e g S g C., L d. (招商局能源運輸股份有限公司) (S a g a c. c de: 601872) f, Ma 2010 A, 2014, a d a d, ec , f C a Me, c a P, e, D e e e C., L d. (S e e c. c de: 000024, a a c a ed S ga, e) f, A, 2011 2014. He, ed a l ce c a, a f S a g a l e, a a P, (G) C., L d. (S a g a c. c de: 600018) f, e 2005 2009, c a, a f C a Me, c a H d g (Pacfc) L ed (a c a ed S ga, e) f, Ma 2005 Feb, a, 2009, de a ag g d, ec , f C a Me, c a P, H d g C a L ed (H g K g c. c de: 144) f, 2005 2009 a d c ef e, a a f ce f, 2007 2009. P, a, M, Wa g H g, ed a a ge e, a a age, f e, f, a ce a, a a de a, e, a, e, ce de a, e a d, a eg c, e e a c de a, e f C a Me, c a G, . He a e, ed a a ag g d, ec , f H f g Ma, e Mac e, S e, L ed, ge e, a a age, f f a c a de a, e, g de a, e a d l ce a age, f C a C ca l, & E C, a a d e a, e e g ee f COSCO G a g Ocea S g C a (中遠廣州遠洋運輸公司). M, Wa g H g g a d a ed f, b e a age e a, Da a Ma, e U l e, 1982 a d b a ed a Ma e, D e g ee f B e Ad, a f, G a d a e Sc f U l e, f S ce ce a d Tec g Be g 1991 a d a P. Be 7()37 de e f 199 a g e e a G a d a e f

C a e X

; Xad_ Sf[a` a` 6[dWfadh EgbWh[eadh EW[ad? S` SYW_ Wf S` V 7_ b^akWē

Mr. Mai Boliang (麥伯良), aged 58, a bee e ,e de f eC a ce 7 Maç 1994, CEO a d ,e de f eC a ce 27 A g 2015 a d a e ed ,e Dec , f eC a ce 8 Maç 1994. Mr. Ma ed eC a 1982 a d e , ed a a age, f , d c ec ca de a , e a d e de

;` Xad_ Sf[a` a` 6[dWfadel EgbWh[eadel EW[ad? S` SYW_ Wf S` V 7_ b'akW

Mr. Pan Chengwei (潘承偉), aged 71, graduated from the Management College of Tsinghua University, holding a Bachelor's degree in Accounting. Mr. Pan joined the Company in 1965 and has served as a

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2. Supervisors

Annual Report 2017

Name	Gender	Age	Position	Term	Number of shares held	
					31 December 2016	31 December 2017
Zhang Meng	M	39	Chairman	31 March 2016 to 31 March 2018	0	0
Wang Hong	M	42	Chairman	26 September 2017 to 26 September 2018	0	0
Xiang Bin	M	58	Chairman			

Mr. Wang Hongyuan (王洪源), age 42, graduated from the Department of Management, East China University of Technology, degree in Management, 1997. He worked in the Department of Management, East China University of Technology, from 1997 to 2001. He worked in the Department of Management, East China University of Technology, from 2001 to 2003. From 1997 to 2001, Mr. Wang worked in the Department of Management, East China University of Technology, as a Lecturer, Associate Professor, and Professor. He worked in the Department of Management, East China University of Technology, as a Lecturer, Associate Professor, and Professor from 2003 to 2005. He worked in the Department of Management, East China University of Technology, as a Lecturer, Associate Professor, and Professor from 2005 to 2008. He worked in the Department of Management, East China University of Technology, as a Lecturer, Associate Professor, and Professor from 2008 to 2011. He worked in the Department of Management, East China University of Technology, as a Lecturer, Associate Professor, and Professor from 2011 to 2012. He worked in the Department of Management, East China University of Technology, as a Lecturer, Associate Professor, and Professor from 2012 to 2013. He worked in the Department of Management, East China University of Technology, as a Lecturer, Associate Professor, and Professor from 2013 to 2014. He worked in the Department of Management, East China University of Technology, as a Lecturer, Associate Professor, and Professor from 2014 to 2015. He worked in the Department of Management, East China University of Technology, as a Lecturer, Associate Professor, and Professor from 2015 to 2016. He worked in the Department of Management, East China University of Technology, as a Lecturer, Associate Professor, and Professor from 2016 to 2017. He worked in the Department of Management, East China University of Technology, as a Lecturer, Associate Professor, and Professor from 2017 to the present.

Mr. Xiong Bo (熊波), aged 58, graduated from East China University of Technology in 1991. He worked in the Department of Management, East China University of Technology, from 1991 to 1996. He worked in the Department of Management, East China University of Technology, from 1996 to 1998. He worked in the Department of Management, East China University of Technology, from 1998 to the present.

C a e X

; Yãd_ Sfja` a` 6[dWfãd EgbWãhãeã EWãdã? S` SYW_ Wf S` V 7_ b`ãkVã

3. Senior Management

l f , a d , e e be , f e e , a age e e ð be :

Name	Gender	Age	Position	Term	Number of shares held	
					31 December 2016	31 December 2017
Ma B a g	M	58	CEO a d , e de	f , 28 Ma c 2016 2019 a ð a B a d ee g	494,702 (A S a e)	494,702 (A Shares)
L X eb	M	58	V ce , e de	f , 28 Ma c 2016 2019 a ð a B a d ee g	96,000 (A S a e)	72,000 (A Shares)
					2,400 (H S a e)	2,400 (H Shares)
W Fa e	M	59	V ce , e de	f , 28 Ma c 2016 2019 a ð a B a d ee g	0	0
L Y ð	M	50	V ce , e de	f , 28 Ma c 2016 2019 a ð a B a d ee g	0	0
Y Ya	M	62	V ce , e de	F , 24 Ma c 2015 31 Ma c 2018	100,000 (A S a e)	100,000 (A Shares)
Z a g Ba g	M	61	V ce , e de	, ee eã f , 24 Ma c 2015	0	0
Ga X a g	M	52	V ce , e de	, ee eã f , 1 A , 2015	0	0
Y Yã	M	52	Sec eã e B a d , C a Sec eã	f , 28 Ma c 2016 2019 a ð a B a d ee g	0	0
Ze g Ha	M	42	Ge eã a age , f f a ca deã e	f , 27 Ma c 2017 2020 a ð a B a d ee g	0	0
Ya g R g	F	42	Ge eã a age , f ca a a age e deã e	f , 28 Ma c 2016 8 Ja ð 2018 (e)	0	0

N e : O 8 Ja ð 2018, M . Ya g R g , e g ed a Ge eã a age , f ca a a age e deã e f , eã a , eã . O 15 Ja ð 2018, a f eã deã f f , ee g 2018 f ee g e a f eã d f e C a , c da ed e , g a f a ca a age e deã e a d e ca a a age e deã e a e e f a ca a age e deã e , a da ed M . Ze g Ha a e ge eã a age , f e f a ca a age e deã e .

B, ef b g a f e e , a age e :

Mr. Mai Boliang (麥伯良), a e ed U e D, ec , CEO a d , e de f e C a . F, de a f M, Ma B a g, ea e, efe 1. D, ec , f B, ef B g a f e D, ec , , S e , , a d Se , Ma age e C a e .

Mr. Liu Xuebin (劉學斌), aged 58, a bee a, ce , e de f e C a ce Ma c 2004. He ed e G, 1982, a d ce , ed e C a , P, c , e e De a, e f, 1982 1990, de ge e, a a age, f Na g S da C a e, C ., L.d. (南通順達集裝箱有限公司) f, 1990 1994, de ge e, a a age, f e C a e, B a c f e C a f, 1994 1995, a d ge e, a a age, f X CIMC C a e, C ., L.d. (新會中集集裝箱有限公司) f, 1995 1997. F, 1997 2013, e a a ed a ge e, a a age, f S e e S e, CIMC C a e, Ma fact, e C ., L.d. (深圳南方中集集裝箱製造有限公司) a d Dece be, 1998, e ed e f e a a e, e de f e C a a d c a, a f X CIMC C a e, C ., L.d. (新會中集集裝箱有限公司). S ce Ja a, 2011, e a a ed a de ge e, a a age, f CIMC C a e, H d g C ., L.d. (中集集裝箱控股有限公司). M, L g ad a ed f, S e e U e, a bac e , deg ee b e ad , a A g 1990.

Mr. Wu Fapei (吳發沛), aged 59, a bee a, ce , e de f e C a ce Ma c 2004. He ed e C a 1996, a a ed a e a age, f l f, a Ma age e De a, e Dece be, 1996, e e a a e, e de Dece be, 1998 a d , e, e e ce a, f e B a d f, Dece be, 1999 Ma c 2004. Bef, e a, e ed be a eac e, a da cae , fe , f Sc f B e Ad , a S C a U e, f Tec g a d e de ge e, a a age, f Z a, g Na a B c ce R g C ., L.d. G a g d g. M, W g ad a ed f, S C a U e, f Tec g a bac e , deg ee ec a ca a fact, g 1982 a da a e, deg ee e g ee, g 1989.

Mr. Li Yinhui (李胤輝), aged 50, a bee a, ce , e de f e C a ce Ma c 2004. He a bee e c a, a , d, ec , fa be, f b da, e f e C a ce 2004. He , ed a a - e, ce , e de f, Oc be, 2002 Oc be, 2003. M, L , ed M , f C e, ce f, Ma c 2003. Be ee Ma 1993 a d Ma c 2003, e , ed S a e C f F, e g T a de a d Ec c C e, a . P, , a, M, L , ed Ce , a C ee f C e e C Y Le a e. He, e ca, ed bac e , deg ee , f, J U e, 1991, a MBA deg ee f, Sc f B e Na g U e, Dece be, 1997 a d P .D. ec c f, J U e, e 2001. M, L cce c e ed a , ee ea , e ea, c a e d c , a ce , e f C a Ce , e f, l e, a a Ec c E c a ge Se e be, 2016.

C a e X

; Yad_ Sf[a` a` 6[dWfadh EgbWh[eadh EW[ad? S` SYW_ Wf S` V 7_ b^akW6

Mr. Yu Ya (于亞), aged 62, a bee a ce ,e de f eC a ce Ma c 2010. M. a bee ,: g eC a ce A d 2007, e ga ce e e a f e Pa C ee a d ge e a a age f H b c affa, de a e . He a a bee e ca, a , ad, ec , fa be f b da e f e C a ce Oc be, 2009. He ce ,: ed f, ce ,a , e a de d, ec , f, C a Lg l d , C , ,a a ce ,e de a d f, Ca ge a e ec l e d, ec , a d e ed l e ce ,e de Gea e C a Reg . M. g ad a ed f e Mec a ca E g ee g De a e f Ta Lg l d , V ca a Tec ca C ege 1984 a d b a ed a MBA deg ee f Na g U e 1997.

Mr. Zhang Baoqing (張寶清), aged 61, a a ed a a ce ,e de f eC a Ma c 2012. S ce Ma 1995, M. Z a g a bee e ge e a a age, f X CIMC W d C ., Ld. F 1995 Ma 2016, M. Z a g a e de ge e a a age, a d e e ge e a a age, f X CIMC C a e C ., Ld. (新會中集集裝箱有限公司), a d f, Ja a, 2003 Ma 2016, e a a e ge e a a age, f G a gd g X CIMC S eca Ta , a e C ., Ld. (廣東新會中集特種運輸設備有限公司). M. Z a g ce ac ed a e a e ,e de f e G Ma c 2004 Ma c 2012, e ge e a a age, f CIMC W d De e e C ., Ld f, Feb a, 2009 Ma c 2013, e de ge e a a age, f CIMC C a e H d g C ., Ld. (中集集團集裝箱控股有限公司) de e G ce 2011 a d e ge e a a age, f CIMC M d a B d g l e e C a L ed (中集模塊化建築投資有限公司) de e G ce Ma c 2014. Bef ,e a, e ce ,: ed a a a e ge e a a age, a d a age, f ec ca de a e f Na g S da C a e C ., Ld. (南通順達集裝箱有限公司). M. Z a g a e , e g ee. He g ad a ed f S C a U e f Tec g a bac e , deg ee ec a ca de g a da a ce ce 1982.

Mr. Gao Xiang (高翔), aged 52, a bee a ce ,e de f eC a ce 1 A , 2015. M. Ga g ad a ed f Ta U e a , g a e ad b d g e g ee g. He a a e , e g ee. M. Ga ac ed a e ge e a a age, f Ta CIMC N , Ocea C a e C ., Ld., Ta CIMC C a e C ., Ld., Ta CIMC L g c e C ., Ld., Ta CIMC Ve ce L g c e C ., Ld. a d Ta CIMC S eca Ve ce C ., Ld., ,e ec l e , f, 1999 2008. He ,: ed a e a e ,e de f CIMC f 2004 2008. He e d a e e ec l e d, ec , a d ge e a a age, f CIMC E , c H d g L ed 2009 a d e e ca, a f c a ce 1 A , 2015. M. Ga a e ca, a f ce a b da e f CIMC E , c H d g L ed.

Mr. Yu Yuqun (于玉群), aged 52, a bee e e e a e B a d f e C a ce Ma c 2004 a d a bee e C a Se e a ce 25 Oc be, 2012. He ed e C a 1992 a d b e e ed a de a age, a age, f F a ca Affa, De a, e a d a age, f e f f ce f e e a, e B a d, e be f, a e de, e a, e, e a a d f d a age e. M. beca e e e, e e a u e f, e d, e affa, f e C a ce g e S e e S c. E c a ge 1994. M. a bee a ed a a e e d, e c, f CIMC E, c (H g K g c. c de: 3899) ce Se e be, 2007 a d a, e-de ga ed a a -e e d, e c, 5 Se e be, 2016. He a a -e e d, e c, f TSC G, H d g L ed (f, e, a TSC Off, e G, L ed a d e a e e d e Ma B a d f e S c. E c a ge) f, 2011 2016. M. d, e a -e e d, e c, f CFE (e a e e d e Ma B a d f e S c. E c a ge), a -e e d, e c, f P e, G ba L ed a d e c a, a f S e e S. Ca a C., Ld. M. e e be, f e A ea a d R e C ee f e S e e S c. E c a ge a d e e be, f e f, e f M e, g e a d A e. F a ce C ee f C a A ca f, f b c C a e. F, 1987 Oc be, 1989, e ed e S a e P, ce C, B, e a. M. g a d a e d f, Be g U L e, a d b a e d a bac e, deg ee ec c 1987 a d a a e, deg ee ec c 1992.

Mr. Zeng Han (曾邗), aged 42, a bee e ge e a a age, f e F a ca Ma age e De a, e f e C a ce Ma c 2017. M. Ze g ed e C a 1999 a d a c ce u e e d a a age, f e Acc g D, f e F a ca Ma age e De a, e, a a e ge e a a age, f e F a ca Ma age e De a, e, de ge e a a age, a d e e d, e d e ge e a a age, f e F a ca Ma age e De a, e. He a ed a c d, e a a age, f e F a ca De a, e f CIMC E, c (H g K g S c. C de: 3899) f, 2009 2010. S ce 2015, e a bee a ed a d, e c, f a be, f b d a, e a d a a ed a e c a, a f e F a ca l f, a a Dec - a. g C ee f e G, 2016. M. Ze g g a d a e d f, Ha g l e f E e c, c E g ee, g a bac e, deg ee ec c 1996, a d a e, g a d a e d f, Ja g U L e, f S ce ce a d Tec g a a e, deg ee a age e e 1999. M. Ze g Ha a ce, fed b c acc a C a.

Ms. Yang Rong (楊榕), aged 42, a bee e ge e a a age, f Ca a Ma age e De a, e f e C a ce Ma c 2016. M. Ya g e, ed a e f a ce a age, b f, Q e, ea B e D, a d l f, a Ne, B e D, f K a G, C., Ld. add e, a e ge e a a age, f F a ce De a, e f, A, 1999 Dece be, 2004. F, Ja a, 2005 N, e be, 2009, e e d a e d, e d, e c, f F a ce De a, e f OCT E e, e C., a d c e f f a ca f f ce, (a - e) a d de d, e c, f A d De a, e f OCT (HK) C a L ed. M. Ya g e, ed a e c e f f a ca f f ce, f K a G, C., Ld. f, N, e be, 2009 Ma 2014 a d a e, ed a e d e ge e a a age, f Ca a Ma age e De a, e f e C a ce e 2014. G a d a e d f, N, e e P ec ca U L e, M. Ya g b a e d a bac e, deg ee a age e e g ee, g a d a a e, deg ee f a ca a age e 1996 a d A, 1999, e e c u e.

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



2. Interest in the Underlying Shares of the Company

F, dea f e e e e de, g a e f e C a ed b a Dec, S e, , a d c ef
e ed e f e C a a a 31 Dece be, 2017, ea e, efe, XV. I e e a f e C a '
S a e O I ce e Sc e e, E ee S c. O e, Sc e e, O e E ee I ce e Mea, e f
C a e, VIII S g fca E e Re, .

3. Interest in the Associated Corporation of the Company



C a e X

; Xad Sfja` a` 6[dWfadh EgbWh[eadh EW[ad? S` SYW Wf S` V 7_ b^akW6

V. JOB STATUS OF CURRENT DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

F, e, fe a bac g, d a d a, . ge e ce f, e Dec, S e, a d Se, Ma age e a d e, a, e b e C a, ea e, efe. I. B, ef B ga f e Dec, S e, a d Se, Ma age e C a e.

1. Job Status in Shareholders' Company

Name	Name of Shareholders' company	Position in Shareholders' company	Start of term of office	End of term of office	With compensation allowance from Shareholders' company or not
Wa g H g	C a Me, c a G, L ed	De, ge e a a age,	Ma c 2015		Ye
Wa g a g	C a COSCO S Me, c a G, L ed	a De, ge e a a age,	Ja a 2016		Ye
H Xa	C a Me, c a I d, H d g L ed	Ge e a a age,	Dece be, 2017		Ye
L C g	COSCO SHIPPING De e e C., Ld.	Ma ag g d, ec,	Ma c 2016		Ye
Z a g M g e	COSCO SHIPPING De e e C., Ld.	C ef acc, a	Ja a 2014		Ye
Wa g H g a	C a Me, c a I d, H d g L ed	De, ge e a a age, a d ge e a a age, f S, a e g a d De e e De a e	Dece be, 2016		Ye

2. Job Status in Other Companies



Name

Name of other company

C a e X

; Yãd_ Sfja` a` 6[dWfadh EgbWh[eadh EW[ad? S` SYW_ Wf S` V 7_ b`akW6

VI. REMUNERATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

1. Decision-making Process, Basis for Determination and Actual Payment of Remuneration of Directors, Supervisors and Senior Management

I acc, da ce e, l f eA, ce fA ca, ,e e, e a f eC a ' D, ec, a d S e, a a be de e, ed b e Ge e, a Mee g, e, e e, e a f e Se, Ma age e a be de e, ed b e B a, d. D, g e Re, g Pe, d, e D, ec, (a a, f, de e de e ec, l e D, ec,) a d S e, f eC a a, eca, e, e e, e a d e d g e, e e a f d, ec, a d e, . Se, Ma age e a, eca, e, e e, e a f, eC a, b da, e. Te C a a e ab ed c e e aa, e a d, e e, e a, eca, a d eC a ad a a a a, e. Te B a, d f eC a a a a, e e, e a e Se, Ma age e acc, d g e Re, a f, A a Pe, f, a ce A e e a d l ce l e f, e Pe, e E ed b e CIMC B a, d.

U c de, a a da, l a f e B a, d a d e Ge e, a Mee g, e de e de e ec, l e D, ec, a a a, ded RMB200,000 e, e a, a de e de d, ec, a a ce d, g e Re, g Pe, d. I add, de e de D, ec, d d, eca, e e, e e, e a d, g e Re, g Pe, d. Te aff, e, e e a l e S e, M, X g B, eca, ed, e e, e a f, eC a d e e e, e ed a eC a.

Te de a f, e e, a (e-a) f, e D, ec, , S e, a d Se, Ma age e a e de c, bed ef g, e e, a abef, D, ec, , S e, a d Se, Ma age e.

2. Remuneration of Directors, Supervisors and Senior Management during the Reporting Period

U :RMB ↘ a d

Name	Position	Gender	Age	Status	Total remuneration before tax from the Company	Remuneration Received from related parties of the Company
Wang Hong	Chairman of the Board of Directors	M	55	Retiree		
Wang Kang	Vice Chairman of the Board of Directors	M	56	Retiree		
Ma Baogang (N e1)	Executive Director, CEO and Chairman of the Board	M	58	Retiree	4,675	
Wang Zhaohua	Non-executive Director	M	52	Retiree		
Hu Xiaofei	Non-executive Director	M	48	Retiree		
Liu Chang	Non-executive Director	M	47	Retiree		
Paolice George	Independent Non-executive Director	M	71	Retiree	200	
Paolice George	Independent Non-executive Director	M	64	Retiree	200	
Wang Kaifei, Abei	Independent Non-executive Director	M	66	Retiree	200	
Zhang Ming	Chief Financial Officer	M	39	Retiree		
Liu Song	Supervisor	M	54	Retiree		
Wang Hongbiao	Supervisor	M	42	Retiree		
Xu Bing (N e2)	Supervisor	M	58	Retiree	348	
Liu Xuebin	Vice President	M	58	Retiree	2,183	
Wang Fahe	Vice President	M	59	Retiree	2,169	
Liu Yanyan	Vice President	M	50	Retiree	1,472	
Yan Ya	Vice President	M	62	Retiree	1,834	
Zhang Baogang	Vice President	M	61	Retiree	2,222	
Gao Xiang	Vice President	M	52	Retiree	2,455	
Wang Yanyan	Secretary of the Board	M	52	Retiree	2,131	
Jiang Jia (N e3)	General Manager of Finance and Management Department	M	64	Retiree	330	
Zhang Ha (N e3)	General Manager of Finance and Management Department	M	42	Retiree	1,033	
Yang Rui (N e3)	General Manager of Customer Service and Management Department	F	42	Retired 8 January 2018	1,846	
T a					23,298	

N e1: A eed leD,ec , f eC a ,M. Ma B a g a ,eca ed e,e e e a f e C a d e f CEO a d ,e de e C a .

N e2: M. X g B a ,eca ed,e e a f e C a d e ed e C a e a e e e .

N e3: A , le d b e f e e g 2017 f e e g e f e B a d f e C a , M. J J a g , e f f c e d e e e , a f e e e M. Z e g H a a a e d a e g e a a a g e , f f a c e a a g e e d e a e . O 8 J a a , 2018, M . Y a g R g , e g e d a g e a a a g e , f c a a a a g e e d e a e f , e a , e a . O 15 J a a , 2018, a f e , d e c d e a f f , e e g 2018 f e e g e f e b a d f e C a , c d a e d e , g a f a c a a a g e e d e a e a d e c a a a a g e e d e a e a e e f a c a a a g e e d e a e , a d a e d M. Z e g H a a e g e a a a g e , f e c d a e d f a c a a a g e e d e a e .

T e f e e e ,eca ed e g e ,e e a f e G , 2017 g e b e e d e a b l e a b e .

C a e X

; Yãd_ Sfja` a` 6[dWfãd EgbWãhãeã EWãdã? S` SYW_ Wf S` V 7_ b`ãkWWã

3. Options Granted to Directors, Supervisors and Senior Management during the Reporting Period

Name	Position	Exercisable during the Reporting Period (shares)	Exercised during the Reporting Period (shares)	Exercise price of Exercised during the Reporting Period (RMB/share)	Market price at the end of the Reporting Period (RMB/share)	Number of Restricted shares at the beginning of the Period (shares)	Number of newly granted restricted shares during the Reporting Period (shares)	Grant price of restricted Shares (RMB/share)	Number of restricted shares held at the end of the Period (shares)
Ma B a g	E d e D, ec r, CEO a d e de	2,850,000	0	10.49	22.85	0	0	0	0
L X eb	Vce e de	997,000	0	10.49	22.85	0	0	0	0
W Fa e	Vce e de	750,000	0	10.49	22.85	0	0	0	0
L Y	Vce e de	750,000	0	10.49	22.85	0	0	0	0
Y Ya	Vce e de	650,000	0	10.49	22.85	0	0	0	0
Z a g Ba g	Vce e de	750,000	0	10.49	22.85	0	0	0	0
Ga Xa g	Vce e de	375,000	0	10.49	22.85	0	0	0	0
Y Y	Se e a e B a d	750,000	0	10.49	22.85	0	0	0	0
Ze gHa	Ge e a Ma age e f a ca Ma age e De a e	288,750	0	10.49	22.85	0	0	0	0
T a	-	8,160,750	0	-	-	0	0	0	0

N e: O 27 Ma c 2017, e C a ' e r, a age e M, J Ja g, e, ed. A a 31 Dece be, 2017, M, J Ja g ad 516,000 e e c ed A a e f e C a a d 140,000 e e c ed f CIMC E, c.

4. Remuneration Policy of the Senior Management

T e, e e a c f e Se r, Ma age e f e C a a be bec e Re a f, A a Pe f, a ce A e e a d i ce e f, e Pe e E ed b e CIMC B a d. T e C a e r, a age e e e a c f a ca e e f e e r, a age e e G e a g e a d e e f, a ce f a e e a e.

VII. EMPLOYEES OF THE COMPANY

1. Number of Domestic Employees, Professional Composition and Education Background

Number of employees	265
Number of employees	50,424
Total number of employees	50,689
Total number of employees	50,689
Number of employees	98

Professional composition		Education background	
Professional composition	Number of employees	Education degree	Number of employees
Professional composition	33,384	PHD	32
Senior	2,544	Master	1,108
Technical	9,086	Bachelor	8,347
Faculty	1,161	College	7,477
Administrative	4,514	Secondary	33,725
Total	50,689	Total	50,689

2. Remuneration Policies

For details of the remuneration policy, please refer to the Annual Report of the Company. The remuneration policy is based on the market practice and the company's performance. The remuneration policy is also subject to the approval of the shareholders.

3. Training Programme

The Group has established a training programme for its employees. The programme is designed to enhance the employees' professional skills and knowledge. The training programme is also subject to the approval of the shareholders.

4. Labour Outsourcing

Applicable Not applicable

C a e XI

5adbadSfW9ahW S` UWS` V 5adbadSfW9ahW S` UMDWbadf

T e C a a , e a e d e C , , a e G l e , a c e W , Re , a d e C , , a e G l e , a c e Re ,
acc , da ce d f f e e , e e f , a d c e f P R C e c , e e a , a , e a d e H g K g
L g R e , e e c l e . T e e e e e a l c d a d a d d e e e , a c , e f e e c g a , a c
a b e e a d e d .

Part I: CORPORATE GOVERNANCE WORK REPORT (PREPARED IN ACCORDANCE WITH PRC SECURITIES REGULATORY REQUIREMENTS)

1. SITUATION OF CORPORATE GOVERNANCE

D , g e Re , g Pe , d , e C a c l e d e a c e a d , l e e C a ' c , , a e
g l e , a c e a d a d a d e d e a , c c a c e e , e e f a a d e , a
c d g e P R C C a La , C , , a e G l e , a c e d e e f , L e d C a e , d a c e O
E a b g a S e f l d e e d e D , e c , L e d C a e , R e f G e e a M e e g f L e d
C a e a d d e e e A , c e f A c a f L e d C a e a e a e e , e e
f e L g R e . T e C a a e a b e d a c , , a e g l e , a c e l c , e c e e
e e e f a a g e e f d e e e , e a d e l e e f a d b a a c e d e f , a c e f a
f c . I a c c , d a c e a e e f , e a d e , a f e C a l c a e R e f P , c e d , e
f , S a e d e , M e e g , e R e f P , c e d , e f , B a d , e R e f P , c e d , e f , S e , C e e
a d e W , g l e f , e P , e d e , e C a e e e d e f f e c l e c , , a e g l e , a c e b g g
f a e e e f B a d c e e . T e c a d e b f e g e e a e e g , e B a d
a d e S e , C e e e e e f , e d a d b a a c e d , c a f e a d e d e e e
f e S a e d e , a d e C a e f f e c l e e l e d e l a a b e a d e a d e e e f e
C a . I N l e b e , 2 0 1 7 , a e f e l e e e a a a d a d f I S O 3 7 0 0 1 A - b , b e
M a a g e e S e , e C a a l e d a c a e e G b a S f , B e P , a c c e f A -
b , b e , M a a g e e , a d l , b d a , C I M C T a d a a e f , b e a a d e d e I S O 3 7 0 0 1 A - b , b e
M a a g e e S e a c c e d a c e f c a e C a .

I a c c , d a c e a d a d f , e c , , a e g l e , a c e f e d c a e b C S R C , C S R C S e e
B , e a , S e e S C . E c a g e a d e H g K g S C . E c a g e , e C a l e a d e
c e e d c , , a e g l e , a c e , e c f c a , e c a e c a d e e e a b e a a , e d b
e e a , e e a , a , e . I 2 0 1 7 , e C a a a a d e d e N a a S c e c e a d T e c g
P , g e A a d b e S a e C l c a d a , a l e d 3 7 a g e T 5 0 0 E e , e G a g d g
P , l c e b e G a g d g P , l c a E e , e C f e d e a .

I 2 0 1 7 , e C a c l e d a c e e a a d a c e d , l g l e , e a
a a g e e . A c c , d g , e e a a a d e , a l c a e C a La , e S e c , e La , a d
e M a a f , l e , R e a M a a g e e f L e d C a e a d e , e e f e A , c e f
A c a , e C a f e d e , c e f f a d c a c e d c l e f f , a , e a
f , f a l e , e a d e g , a d e a c l e c l c a , g l a a g e e
f e l e , e a . I e e e f e d a d a l e , e C a a d e d e f f e c l e a d
c l e e e a l e d a , a d e e e f a , l e , e g e a - a , d a d e f f e c l e e
c l c a S a e d e , a d l e , . S e e c l e d c l e a a d e d e l e e e e
f e d a d a S a e d e , e e c f b a g c , a e f , a a f a , a d l a e . I
e a e c d c e d d a , e c e , a e a e e d l e f l e , , g e c a , a c a e d
a l a l e e c f e e c e a d e a c e e g e d b d e c a d e , a a e d , e b , e
a d c d c e d e e e , e a c l c a l e , l e e c f e

2. INDEPENDENCE OF THE COMPANY FROM ITS CONTROLLING SHAREHOLDERS IN RESPECT OF BUSINESS, PERSONNEL, ASSET, ORGANISATIONAL STRUCTURE AND FINANCE

T ed,ec \ b a a S a e de, f eC a a eC a Me,c a (CIMC) l e e (c , g a e de, C a Me,c a G,) a d COSCO C a e, l d , e (c , g a e de, C a COSCO S g). T eC a a a de e de a d c e e b e e e a d a e ca ac f, de e de, e a e a, e. T eC a de e de f, \ b a a S a e de, e ec f, \ b e, e, e, a e, , ga a a \ c, e a d f a ce, a d e de e de, ceed a d a da \ e, e b e e a d, . (1) B e : T e, d c e, \, c a e e, a a,

3. HORIZONTAL COMPETITIONS

A cable ✓ N a cable

C a M e c a (CIMC) l e e , a d , e c S a e d e f e C a , a - e d b d a f C a
M e c a I d , H d g a d d e f a c c , e C a M e c a G . S f a a e C a
a a e , C a M e c a (CIMC) l e e e g a g e d a b e , e a e d e , c a d e e
, f f , e , e & g & , e & g & , e & , e & , e & V U 6 , f f , () a e g a b a . 2 e

(1) Independent Directors' Attendance to the Board Meetings and the General Meetings

Independent Directors' Attendance to the Board Meetings							
Name of independent Director	Required number of Board meetings to attend during the Reporting Period	Attendance in person	Attendance by means of telecommunication	Attendance by proxy	Absence	Not attending in person for two consecutive meetings	
Pa C e g e	21	3	18	0	0	N	
Pa Z e g e	21	3	18	0	0	N	
W g K a H e , A b e	21	3	18	0	0	N	

(2) Independent Directors' Opposition to Relevant Proposals of the Company

There are no relevant proposals of the Company that have been opposed by independent directors during the reporting period.

(3) Other Descriptions to Duty Performance of Independent Directors

None

6. DUTY PERFORMANCE OF SPECIAL COMMITTEES OF THE BOARD DURING THE REPORTING PERIOD

The Board has established three special committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee. The Audit Committee is responsible for reviewing the financial statements and the internal control system of the Company. The Remuneration Committee is responsible for reviewing the remuneration policy and the remuneration of the directors and senior management. The Nomination Committee is responsible for reviewing the nomination and re-election of directors and senior management. During the reporting period, the Audit Committee has reviewed the financial statements and the internal control system of the Company. The Remuneration Committee has reviewed the remuneration policy and the remuneration of the directors and senior management. The Nomination Committee has reviewed the nomination and re-election of directors and senior management.

7. OPERATION OF THE SUPERVISORY COMMITTEE

A r ; f eC a d c u e d b e S e r ; C ee V e r d r ; g e Re r ; g Pe r d
Ye N

8. APPRAISAL AND INCENTIVES OF SENIOR MANAGEMENT

I r ; de r ; e eC a ' de e e a a da d ed, V da d r ; de a e r ; a r ; ac r ; e
ae a d a a e ab f e e r ; a age e , e B a d a f r ; a ed e Re a f r ;
A r ; a Pe r f r ; a ce A e e e a d l ce u e f r ; e Pe e E ed b e CIMC B a d , a de ab ed
e e f r ; a ce a r ; a a a d ce u e a d r ; e r ; a e c a c ; e r ; e V e r ; a f e r ;
a age e b eC a ' e f r ; a ce a d d a e f r ; a ce.

O 17 Se e be, 2010, a c de ed a da r ; u e a e f r ; e r ; a d a r ; ge e a ee g 2010 f e
C a , eC a a c e da d e e e da ce u e c e e f e ae f AS ae . F r ;
r ; e e a f r ; a , ea e r ; e f e r ; XV. I e e a f eC a ' S ae O l ce u e S ce e,
E ee S c. O e r ; S ce e r ; O e r ; E ee l ce u e Mea r ; e f C a e r ; VIII S g f ca E e
Re r ; . Te AS ae () ae ce u e c e e c d q e e e e a g a d e r ; c
e c a be ee e S ae de r ; , e a age e a d i e aff. Te a age e ca be e ba a ce
r ; - e r ; a d g - e r ; age ; a r ; ac a d r ; e a e ce e a age e e r ; e a d r ; e bac. b e ;
c V e c e a e ce u e a t e e r ; e g - e r ; ab e d e e e f eC a a d r ; e f r ; ce
c e u e e f eC a .

9. INTERNAL CONTROL

(1) Details of Material Defects of Internal Control Detected during the Reporting Period

Ye N

Acc r ; d g e f d g de f g eC a ' g fca defce c e r ; a c r ; u e f a ca
r ; e r ; g a a e ba e e da e f e e r ; a c r ; a e e r ; e r ; (31 Dece be, 2017), eC a
r ; a g fca defce c e r ; a c r ; u e f a ca r ; e r ; g. Te B a d f e u e a e
C a a d c ed e c e a be c a r ; f r ; e e r ; e e r ; a c r ; a d e r ; e r ; e e
f e r ; e e a r ; u a a effe c u e e r ; a c r ; u e f a ca r ; e r ; g a ae a a ec .

Acc r ; d g e f d g de f g eC a ' g fca defce c e r ; a c r ; u e r ;
f a ca r ; e r ; g a a e ba e e da e f e e r ; a c r ; a e e r ; e r ; (31 Dece be, 2017), e
C a a f r ; da g fca defce c e r ; a c r ; u e r ; f a ca r ; e r ; g.

(2) Self-Assessment Report on Internal Control

D c , e d a e f f e f e a c , a e e , e ,
D c , e d e f f e f e a c , a e e , e ,
P , , f a a e f e t c , , a e d e a e e c e e

27 M a r c 2018
. c f . c . c

Ca eg,	F a ca, e, g	Defce c de fca C, e a	N -f a ca, e, g
	I, a defce c:		Ge e a defce c:
	Defce c e, a c, ef, g, ea, c	Pae ed ec, g, e a, ec, g	
	af, ge e a a ca e, e e a e c,	f, ged, c fde a c, ed	
	acc, ac a d, e ab f e f a ca a e e	d be, de, g a, e c e, e e f e a e ed	
	de e ed be, a defce c:	e, e, e, d c; e effec	
	I e a c, ec ce a da ca f		
	acc, g ce acc, d g ge e a acce ed		
	acc, g a da d;		
	A -fa d, ced, e a dc;		
	I e a c, c l e a - e a c		
	a ac;		
	I e a c, e d- e df a ca, e, g		
	ce e;		
	I e a c, f, a e, e a g		
	f a ca, e, g;		
	Fa, e c a ce, e, c a		
	ca a e a a, ac e, e ab ff a ca		
	e, g;		
	Pe a a c b e a e a, e c a e		
	aced ega, e e a e ede, e a		
	e, g d c, e;		
	F, c a e a a e, ed, ace e a		
	a d g, a e e f c, f, effec, e		
	g, e fa, e f c c.		
	Ge e a defce c:		
	Pe a a c b, l ca (c l e), e, e e		
	a, e c a e aced ega, e e		
	a e ede, e a, e, g d c, e.		

Caeg	F a ca, e g	Defce c de fca c, e a	N - f a ca, e g
Q a a e be c a;	(T e e, e e, e da (X) f a ca ae e fa be ee ef g(a ge)		Sg fca defce c: 1. Fa e a a a d/ daed e a c e f, e e ac e f, 3 ea a d, e cce, a dfa, e ea af e f, g a e f, e a c a g c ec ; 2. C e f, a e, ce f, a e, d f, e 48 c a b c IT e af, a c, ae c ca e (d d g e c e de ce, ee e), ERP e, f a ca f a e, PDM e, OA e a d
	Sg fca defce c: 1. 0.5% f a ae e e; 2. 5% f a f ; 3. 1% f a a e ; 4. 1% f a ae de' e e .		I a defce c: 1. 0.1% f a ae e e <0.5% f a ae e e; 2. 1% f a f <5% f a f ; 3. 0.2% f a a e <1% f a a e ; 4. 0.2% f a ae de' e e <1% f a ae de' e e .
			I a defce c: 1. Fa e a a a d/ daed e a c e f, e e ac e f, 2 ea cce, a dfa, e ea af e f, g a e f, e ac a g c ec ; 2. C e f, a e, ce f, a e, d f, e 24 b e a 48 c a b c IT e af, a c, a ec ca e (d d g e c e de ce, ee e), ERP e, f a ca f a e, PDM e, OA e a d .
			Ge e a defce c: 1. Fa e e f, a a a e a e a d dae f e ac e d e a, a dfa, e ea af e f, g a e f, e ac a g c ec ; 2. I ab e cca a e, ce e, f c a b c IT e af, a c, a ec ca e (d d g e c e de ce, ee e), ERP e, f a ca f a e, PDM e, OA e a d ; a ea ca be, ec, e d a e, d f 24 f .

Ca eg ,	F a ca ,e , g	Defce c de fca ç e a	N -f a ca ,e , g
Ge e a defce c :			
1. <0.1% f a ae ,e e ;			
2. <1% f a , f ;			
3. <0.2% f a a e ;			
4. <0.2% f a a e de ' e e .			
N be , f g fca	defce c ff a ca ,e , g		0
N be , f g fca	defce c f -f a ca ,e , g		0
N be , f , a	defce c ff a ca ,e , g		0
N be , f , a	defce c f -f a ca ,e , g		0

10. INTERNAL CONTROL AUDIT REPORT

A cab e N a cab e

The paragraphs of opinions on approval in the internal control audit report

In our opinion, CIMC has maintained effective internal controls in respect of financial reporting in all material aspects in accordance with the Basic Norms for Enterprise Internal Controls and relevant requirements on 31 December 2017.

D c , e f e a c , a d , e , g D c ed
 D c , e dae ff e f e a c , a d , e , g 27 Ma c 2018
 D c , e de ff e f e a c , a d , e , g .c f.c .c
 Ca eg , f e a c , a d , e , g U a fed
 W e e , e e a e a e a defce ce -f a ca ,e , g N e

W e e , e acc a f , e ç be e a c , a d , e , f - a da d e

Ye N

W e e , e e a c , a d , e , e ç bed b acc a f , c e e ef-e a a
 e , f e B a d

Ye N

Part II: CORPORATE GOVERNANCE REPORT (PREPARED IN ACCORDANCE WITH THE REQUIREMENTS OF THE HONG KONG LISTING RULES)

The Company has adopted the applicable code of conduct for directors and senior management. The Company has also adopted the applicable code of conduct for employees. The Company has also adopted the applicable code of conduct for directors and senior management. The Company has also adopted the applicable code of conduct for employees.

1. COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the applicable code of conduct for directors and senior management. The Company has also adopted the applicable code of conduct for employees. The Company has also adopted the applicable code of conduct for directors and senior management. The Company has also adopted the applicable code of conduct for employees.

2. THE BOARD

(1) Authorities of the Board

The Board has adopted the applicable code of conduct for directors and senior management. The Company has also adopted the applicable code of conduct for employees. The Company has also adopted the applicable code of conduct for directors and senior management. The Company has also adopted the applicable code of conduct for employees.

l acc, da ce eA, ce fA ca a d eR e fP, ced, e f eB ad, ea , e f e
B ad d' de: (1) c l e ege ea ee g ad, e , e ee g ; (2) e e e, e
a ed a ge ea ee g ; (3) dee, e eC a ' b e a ad l e e c e e ; (4)
, e ae eC a ' a f a ca b dge ad f a acc ; (5) f, ae eC a ' , f
d , b a ad , ec l e, a ; (6) f, ae , a f, cea e , ed c f eC a '
, eg eed ca a ad f, e f a ce ad g fc, , aeb d , e, ec, e ; (7) d, af a f,
ae, a ac, , ae, e, cae, ege, d , d c a ge c, , aef, ; (8) dee, e
a e, ea g eC a ' e e, a l e e , a e ac, a ad a, a e , gage, a d
e e, a g a a ee ea , a f ege ea ee g ; (9) dee, e ee ab e f e
C a ' e, a a age e , c, e ; (10) a , d eC a ' , e de a d e eC ea,
f eB ad ; a d , a e, e de ' a , a , d e , ffce, d d g ce
, e de a dc eff a ca ffce, f eC a a d decde e, e e, a , e ad a de a e ;
(11) f, ae eC a ' ba c a age e e ; (12) f, ae e , ed a ed e e
A, ce fA ca ; (13) dea f, a d c , e f eC a ; (14) , e ege ea
ee gf, a e , e ace e f e acc, gf, e, ga ea d , f eC a ;
(15) , eca e , e , b ed b e , e de a d , e e e, f, a ce ; (16) e a a e ad
dee, e e a , e a de e f, eC a g a e ac e g , a egc bec l e, a d
e , e a eC a e ab e a d a a a , , a e a d effec l e, a age e a d e, a

(2) Composition of the Board

Accid g eA ce fA ca , eB ad c feg D,ec , , d d g e ca , a , e ce
c a , a a d , ee de e de -e ec l eD,ec , .

D, g eRe , gPe, d, 7 A d 2017, Mr. Wa gZ a , a -e ec l eD,ec , , e g ed f, e
f -e ec l eD,ec , f eC a a da eR ; Ma age e C ee a d e
Re , e a a d A , a a C ee f eB ad d e e ca ge ba g e . O 26 Se e be,
2017, a , l a b S a e de , a e f, e , a , d a , ge e a ee g 2017, Mr. H Xa f a
bee a ed a a -e ec l eD,ec , f eeg e f eB ad f eC a , a d e
f, ee ee g 2017 f eeg e f eB ad f eC a , Mr. H Xa f a bee e e c e d a
e c a , a f eR ; Ma age e C ee a d a e be f eRe , e a a d A , a a C ee.
F, de a , ea e, efe IV. C a ge f D,ec , , S e , a d Se , Ma age e f eC a f
C a e Xl f, a D,ec , , S e , a d Se , Ma age e a d E ee Re , .

A g e d , e D,ec , , e f, -e ec l eD,ec , a e a a d e e l ee e e ce b e
a d a age e ; e , ee de e de -e ec l eD,ec , a , f d a c a d e c a d , fe a
a fca a d , c d , e e e ce g, f a ce, ega a d a age e . E e ca , Mr. Pa
C e g e , a de e de -e ec l eD,ec , a a , a e acc , g a d f a ca a age e
e e , e. T e , fe a a fca a d a d a e e e ce f , e D,ec , e e B ad , g ,
e e a d , a age e , ced , e e , e e e e fa S a e de , d d g ,
S a e de , . P, fe f D,ec , f eC a a e e , e ec e ad e d B, ef B g a f e
D,ec , , de , C a e Xl f, a D,ec , , S e , , Se , Ma age e a d E ee f

(3) Board Meeting

a. Attendance

b. The Convening of the Board Meetings and the Resolutions Considered

The Board held 21 Board meetings and 16 general meetings from February 2017 to February 2018. The Board held 27 general meetings from February 2017 to February 2018.

Session of meeting of the Board	Date	Resolutions of the Board considered
T e 1 e e g 2017 f e 8 e	27 M a r c h 2017	1. Re f e f e e g 2017; 2. Re e f a c g c e e f 2017; 3. Re e g a d g b a g f a c a d e c a a e e f e b d a e f e C a 2017; 4. Re e g a d g e c e d a a e e g a g e a l d e d b S e e C I M C S a c e R e a E a e D e e e C . L d . a d c e d b d a e f c a e f c d e ; 5. Re e g a d g e c e d a a e e l d e d b C I M C V e c e (G) C . L d . a d c e d b d a e e r d b a d e ; 6. Re e g a d g e a c a f e e a g a a e e l d e d b C I M C F a c e C a L d . e b e f e G ; 7. Re e g a d g e c e d a a e e l d e d b C & C i . C . L d . a d c e d b d a e e r d b a d e e ; 8. Re e g a d g e e e d f d a e a e d - a a a c / c g c e c e d a a c 2016; 9. Re e g a d g e a a a f l e e a a g e e e C E O a d e d e ; 10. Re e g a d g e a a g e e f e c a g e a e e 2017.
T e 2 d e e g 2017 f e 8 e	21 A p r 2017	Re f e e c d e e g 2017 f e e g e f e B a d
T e 3 d e e g 2017 f e 8 e	27 A p r 2017	Re e f e a e e f 2017
T e 4 e e g 2017 f e 8 e	8 M a y 2017	Re e e c g a D e c a e 2016 a g e e a e e g a d e f 2017 A a e d e ' H a e d e ' c a e e g
T e 5 e e g 2017 f e 8 e	29 M a y 2017	Re e C I M C E l e a S c a a d G l e a c e R e 2016
T e 6 e e g 2017 f e 8 e	14 J u n 2017	Re a d g e f e d e e a f M . M a B a g e C a ' C E O a d e d e f 2017
T e 7 e e g 2017 f e 8 e	14 J u n 2017	Re e g a d g e d c f a e g c l e S e e C I M C S a c e R e a E a e D e e e C . L d
T e 8 e e g 2017 f e 8 e	20 J u n 2017	Re e a e a d e e e e c e c e f e A S a e O l c e l e S c e e
T e 9 e e g 2017 f e 8 e	3 A u g 2017	Re e a e d e a d a a d e c a c e a C a M e c a S e e a e P e B a L a d
T e 10 e e g 2017 f e 8 e	11 A u g 2017	Re e e e e g 2017
T e 11 e e g 2017 f e 8 e	28 A u g 2017	1. Re e e e e e e g 2017 2. Re e a l a f e f e d a e d a

Session of meeting of the Board	Date	Resolutions of the Board considered
T e 12 e e g e 8 e	2017 f 13 Se e be 2017	1. Re ead f eed e e Se e CIMC Eec,c C e,cea dL g c Tec g C.,Ld. 2. Re e,a fe f eed e e Se e CIMC Eec,c C e,cea dL g c Tec g C.,Ld. 3. Re ea ,L a fe e g e ,a egcc e a fa e , agree e S.F.E ,e C.,Ld.
T e 13 e e g e 8 e	2017 f 22 Se e be 2017	Re eec gaD,ec , c a, ef, e ,a ,d a ge e a ee g 2017
T e 14 e e g e 8 e	2017 f 26 Se e be 2017	Re de e g e be f eRe e a a dA ,a a C ee a d eR , Ma age e C ee
T e 15 e e g e 8 e	2017 f 9 Oc be 2017	Re e e g e Qa a La d P,e a a Fa e , Agree e
T e 16 e e g e 8 e	2017 f 27 Oc be 2017	Re e ,d a e ,e , f 2017
T e 17 e e g e 8 e	2017 f 4 Dece be 2017	Re ec f78.15% e e Pe G ba L ed, C aF,e Safe E e , eG , L ed
T e 18 e e g e 8 e	2017 f 5 Dece be 2017	Re a e f e ae de f ,e e ,e g e ,a fe fe e e CIMC Ve ce(G)C.,Ld.
T e 19 e e g e 8 e	2017 f 11 Dece be 2017	N ,e
T e 20 e e g e 8 e	2017 f 18 Dece be 2017	N
T e 21 e e g e 8 e	2017 f 22 Dece be 2017	Re ec ,e g f ef, e ,a ,d a ge e a ee g 2018

C , a e G , e a ce C de A.1.1, e ,e a T e b a d d ee ,e a , a d b a d ee g d be e d a ea f , e a ea , a a , ae , a e , e a . D , g e Re , g Pe d, e C a ed 21 B a d ee g , f c 3 ee g e e ed - e. T e e ed ,e D ,ec , f e C a a age a d , e b e e a a d , e d B a d

(4) Responsibilities and Authorities of the Board and the Management

Re b e a d a r e f e B a d a d e a a g e e a e c e a d e f e d . F r d e a f
r e b e f e B a d , e a e , e f e e A c e f A c a a d e r e f P c e d r e f e B a d ,
a d f r e b e f e e , e a e , e f e (1) A r e f e B a d f 2 . T e B a d c a e f
R e . T e a a g e e r e b e f r e d a e a a d a c c a b e e B a d b e r d g
a d e a e d a a d e c a c e e e r e e f r e d e c - a . g .

(5) Chairman and President

(6) Term of Office and Service Contracts of Directors and Supervisors

Ä, a eA, ce fA ca , eD,ec , f eC a a be eec ed a ege e, a ee g
a d e, e a e, f fce , ee ea .U ee , f e, e, f fce, eD,ec , a be, e-ec ed
f, a e, e , , U ded a de e de -e ec U eD,ec , a be, e-ec ed f, , e a
e .D,ec , ' e, ce c , ac a be g ed be ee eC a a d, ee a D,ec , e

T e C a e e d e c e c i a c Z a g M g e (e c a r a f e s e i C e e) ,
t S e g (s e i e g e d 25 S e e b e r 2017) , W a g H g a (s e i) a d X g B

(8) Interests of Directors

a. Interests of Directors and Supervisors in Contracts

D, g e Re , g Pe d, e f e D,ec , , S e , f e C a ada a e a e a e e ,e e d,ec , d,ec , a ,a ac ,a,age e ,c ,ac f g fca ce e e eC a ,a f b da e a a a .

b. Competing Interests of Directors and Supervisors

Mr. Wa g H g a -e ed e D,ec , f e C a , e e a e de ge e a a age, f C a Me c a G . Mr. H Xa f e e a e ge e a a age, f C a Me c a l d , H d g . Mr. Wa g H g a , a e , f e C a , e e a e de ge e a a age, f C a Me c a l d , H d g a d e ge e a a age, f e , a e g c d e e e de a e . C a Me c a l d , H d g a d c , g a e de C a Me c a G a e e age S a e de f e C a . T e f f , e e g e e , g e f C a Me c a G c e e a f e G . F , de a , e a e , e f e . 3. H , a C e f C a e X I C , a e G U e , a ce a d C , a e G U e , a ce Re Re .

Mr. Wa g a g a -e ed e D,ec , f e C a , e e a e de ge e a a age, f C a COSCO S g C , a . Mr. L C g e e a e a a g g d,ec , f COSCO SHIPPING De e e Mr. Z a g M g e , a e , f e C a , e e a e c e f acc a f COSCO SHIPPING De e e a d c , g a e de C a COSCO S g a e e ec d a ge S a e de f e C a . T e c a e a fact , g , g c e , ce a d f a ca ea g b e c e e e f e G . F , de a , e a e , e f e . 3. H , a C e f C a e X I C , a e G U e , a ce a d C , a e G U e , a ce Re Re .

S a e a d c e d a b U e , e f e D,ec , , S e , , a e , e a e d c D,ec , / S e , , a e , a e e e a d a e e a b e a c e e , a c e e d,ec , d,ec e b e f e G .

(9) Measures to Ensure Director's Fulfilment of Responsibilities

- a. U a f d b e D, ec , , e C a a , l de, ee a , c a e, a .
I f, a ab, e C a ' b e a d e, a a be, l ded a, ee a ba a e.
T e d a c f, a , ee a e a a d, ee a a d - , (d) 0.55 (g) 0. 4 (e) 0.4 (e) 0 b 5 (g) 0. c (g) 0.5 () 0.5 (a) 0

3. SPECIAL COMMITTEES OF THE BOARD

U de e B ad, e e a e Re e a a d A a a C ee, N a C ee, A d C ee, S, a eg C ee a d R Ma age e C ee. T e, a e b e dec a g f e B ad. D, ec a c ae e eca c ee f e, e ea c f ce a e ba ed ed f a d de gge a d e e a de a ce e a age e f e C a .

(1) Remuneration and Appraisal Committee

a. Duties and Responsibilities of the Remuneration and Appraisal Committee

T e a d e a d e b e f e Re e a a d A a a C ee f e C a a e: (1) d a d f, a e a a c e a f, e a age e, e f, e a a a d e, e e a ce a d a ; (2) a e, ec e da e g a d g e e a a c e a a d e e a ce f, D, ec ; (3) f, a e a e ce e ce e e a a f, e e a a e a a d a u e d e ; (4) b e, e b e f, e a age e f a e ce e ce e, d d g b ed e e e a fca f g a ee, g a c d a d c d f, e e c g e a e; a d (5) ca, e a e a ed b e B ad.

b. Members of the Remuneration and Appraisal Committee and the Attendance Rate

T e Re e a a d A a a C ee c e f e D, ec , d d g e e de e de e ed e D, ec a d e ed e D, ec . D e e b e d e c a, a, a e, M r. Pa Z e g a d e b e, a e, M r. Pa C e g e, M r. W g K a H e, A b e, M r. H X a a d M r. L C g.



c. Work of the Remuneration and Appraisal Committee during the Reporting Period

The Remuneration and Appraisal Committee met 4 times during the Reporting Period, as detailed below:

Session of meeting	Date	Resolutions considered
Te 1 ee g f e 8 e	2017 27 Ma 2017	Re e e f, ee g 2017
Te 2 d ee g f e 8 e	2017 8 Ma 2017	Re e e 2016 a, a fa ed e, e (e d g CEO a d P, e de Ma B a g) b e B a d f, ec,
Te 3 d ee g f e 8 e	2017 12 Ma 2017	Re e e 2016 a, a f CEO a d P, e de Ma B a g
Te 4 ee g f e 8 e	2017 10 2017	O e 2016 e f, a ce b d, b a a d e 2017 f ed, e e a ad e a f, e e a ed b e B a d

d. Decision Procedures for Remuneration

The Remuneration and Appraisal Committee is empowered to make decisions on remuneration matters. The Committee's decision-making process is as follows: (1) the Remuneration and Appraisal Committee will first consider the recommendations of the Remuneration and Appraisal Committee; (2) the Committee will then consider the recommendations of the Remuneration and Appraisal Committee; (3) the Remuneration and Appraisal Committee will then consider the recommendations of the Remuneration and Appraisal Committee; (4) the Remuneration and Appraisal Committee will then consider the recommendations of the Remuneration and Appraisal Committee.

According to the Remuneration and Appraisal Committee's policy, the Committee will first consider the recommendations of the Remuneration and Appraisal Committee. The Committee will then consider the recommendations of the Remuneration and Appraisal Committee. The Committee will then consider the recommendations of the Remuneration and Appraisal Committee. The Committee will then consider the recommendations of the Remuneration and Appraisal Committee.

(2) Nomination Committee

a. Duties and Responsibilities of the Nomination Committee

The duties and responsibilities of the Nomination Committee are: (1) to recommend to the Board of Directors the members of the Board of Directors; (2) to recommend to the Board of Directors the members of the Board of Directors; (3) to recommend to the Board of Directors the members of the Board of Directors; (4) to recommend to the Board of Directors the members of the Board of Directors; (5) to recommend to the Board of Directors the members of the Board of Directors; (6) to recommend to the Board of Directors the members of the Board of Directors; (7) to recommend to the Board of Directors the members of the Board of Directors; (8) to recommend to the Board of Directors the members of the Board of Directors.

b. Members of the Nomination Committee and the Attendance Rate

The Nomination Committee consists of three members, Mr. Wang Ka He, Mr. Wang Heng and Mr. Wang Heng.

Member of the Nomination Committee	Time of attendance in person	Time of attendance by proxy
Mr. Wang Ka He (Chairman)	2	0
Mr. Wang Heng (Member)	2	0
Mr. Wang Heng (Member)	2	0

c. Work of the Nomination Committee during the Reporting Period

The Nomination Committee held 2 meetings during the reporting period, as follows:

Session of meeting	Date	Resolutions considered
The 1st meeting	2017 February 27, 2017	0 resolutions considered
The 2nd meeting	2017 April 11, 2017	0 resolutions considered



(3) **Audit Committee**

a. Duties and Responsibilities of the Audit Committee

The Audit Committee (the "Audit Committee") is a sub-committee of the Board of Directors (the "Board") established to assist the Board in its oversight of the financial reporting process. The Audit Committee is responsible for monitoring and reviewing the financial reporting process, including the internal control system, the external auditor, and the financial statements. The Audit Committee also monitors and reviews the effectiveness of the internal control system and the financial reporting process. The Audit Committee is also responsible for monitoring and reviewing the financial reporting process, including the internal control system, the external auditor, and the financial statements. The Audit Committee also monitors and reviews the effectiveness of the internal control system and the financial reporting process.

b. Members of the Audit Committee and the Attendance Rate

The Audit Committee consists of three members, including the Chairman, Mr. Pa C e g e a d e b e , Mr. Pa Z e s a d M. W g K a H e , A b e .

Member of the Audit Committee	Time of attendance in person	Time of attendance by proxy
Mr. Pa C e g e (c a , a)	8	0
Mr. Pa Z e s (e b e)	8	0
Mr. W g K a H e , A b e (e b e)	8	0

c. Work of the Audit Committee during the Reporting Period

The Audit Committee has held 8 meetings during the reporting period, with a total of 66 resolutions considered.

Session of meeting	Date	Resolutions considered
Te 1 e 8 e	2017 f 10 Ma,c 2017	N
Te 2 d e 8 e	2017 f 26 Ma,c 2017	O a e , c c e , g e 2 d e e g 2017 f e A d C e e f e B a d
Te 3 d e 8 e	2017 f 26 A , 2017	O a d g e f , a e , f a c a , e , f 2017
Te 4 e 8 e	2017 f 3 A 2017	O a d g e , e , f e a e d a d a d , e c a c e a f , e P , c e B a P , e c L a d C a M e , c a S e .
Te 5 e 8 e	2017 f 27 A g 2017	O a e , c c e , g e 5 e e g 2017
Te 6 e 8 e	2017 f 27 Oc b e , 2017	O a d g e , d a e , f a c a , e , f 2017
Te 7 e 8 e	2017 f 16 N l e b e , 2017	O a d g e e c f 78.15% e e P e , G b a L e d e d C F E
Te 8 e 8 e	2017 f 18 Dece b e , 2017	N

(4) Strategy Committee

The attached brief sets out the key areas of work for the Strategy Committee. It also sets out the key areas of work for the Strategy Committee. It also sets out the key areas of work for the Strategy Committee.

Members of the Strategy Committee are asked to consider the attached brief and to provide their views on the key areas of work for the Strategy Committee.

(6) Risk Management Committee

c. Work of the Risk Management Committee during the Reporting Period

The Risk Management Committee held 3 meetings during the reporting period. The Risk Management Committee also held a formal meeting.

Session of meeting	Date	Resolutions considered
The 1 st meeting 2017	26 March 2017	One resolution considered
The 2 nd meeting 2017	27 April 2017	None
The 3 rd meeting 2017	26 September 2017	Resolutions considered

4. SHAREHOLDERS AND GENERAL MEETINGS

(1) Shareholders' Rights

The Shareholders' Rights Committee has a range of duties and responsibilities. The Committee is responsible for ensuring that the Shareholders' Rights Committee is effective and efficient.

The Committee has a range of duties and responsibilities. The Committee is responsible for ensuring that the Shareholders' Rights Committee is effective and efficient. The Committee has a range of duties and responsibilities. The Committee is responsible for ensuring that the Shareholders' Rights Committee is effective and efficient.

The Committee has a range of duties and responsibilities. The Committee is responsible for ensuring that the Shareholders' Rights Committee is effective and efficient. The Committee has a range of duties and responsibilities. The Committee is responsible for ensuring that the Shareholders' Rights Committee is effective and efficient.

The Committee has a range of duties and responsibilities. The Committee is responsible for ensuring that the Shareholders' Rights Committee is effective and efficient. The Committee has a range of duties and responsibilities. The Committee is responsible for ensuring that the Shareholders' Rights Committee is effective and efficient.

(2) Attendance of the Directors at the General Meetings

Position	Name	General meeting attended	5 general meetings convened in this year Time of attendance	Attendance rate(%)
Chairman	Wahid H. G.	Sec de r, a r, d a ge e a ee gf, 2017	1	25
Vice Chairman	Wahid H. G.		0	0
Director	Ma B. a. g.	A a ge e a ee gf, 2016, f, AS a e de 'ca ee g f, 2017, f, HS a e de 'ca ee gf, 2017, ec d e r, a r, d a ee gf, 2017	4	80
Director (Independent)	26 H. Xa		0	0
Director (Executive)	7 Wa g Z a		0	0
Director	L. C. g.	A a ge e a ee gf, 2016, f, AS a e de 'ca ee g f, 2017, f, HS a e de 'ca ee gf, 2017, f, e r, a r, d a ee gf, 2017	4	80
Independent Director	Pa C e g e	A a ge e a ee gf, 2016, f, AS a e de 'ca ee g f, 2017, f, HS a e de 'ca ee gf, 2017	3	60
Independent Director	Pa Z e g.	A a ge e a ee gf, 2016, f, AS a e de 'ca ee g f, 2017, f, HS a e de 'ca ee gf, 2017, f, e r, a r, d a ee gf, 2017	4	80
Independent Director	W g K a H e, A be	A a ge e a ee gf, 2016, f, AS a e de 'ca ee g f, 2017, f, HS a e de 'ca ee gf, 2017	3	60

De a r, e a eda e ab, e ge e a ee g a e bee e e e e a a ce e b ed e eb e f e S e e S c. E c a ge, C f eb e (.c f. c .c), e eb e f e H g K g S c. E c a ge (.e e .) a d e C a ' eb e.

C r, a e G e a ce C de A.6.7, e a de e de -e ed e d, ec r, a d e r - e ed e d, ec r, d a a e d ge e a ee g a d de e a ba a ced de a d g f e e f a e de . D r g e Re r g Pe d, e C a ed 5 ge e a ee g . D e e b a a affa r d r g e a e e r d, a d, ec r, e e abe a e d e e ge e a ee g . F r D r ec r, a e da ce, ea e r e f e e abe ab, e.

C de, L E.1.2 f eC, aeG, e a ceC de, e a T eC a, a f eB a, d da e d
ea a ge e a ee g. He da l e e c a, e f e a d, e e a, a a da
e, c ee (a a, ae) a e d. T e ee de e de -e e c l e D, e c, f eC a a
a e ded e ge e a ee g c l e e d d, g e R e, g P e, d. T e -e e c l e D, e c, W a g H g,
(eC a, a f e B a, d), W a g a g (V ce- c a, a f e B a, d) a d W a g Z a (eC a, a f e
R. Ma age e C ee f e B a, d, e g ed 7 A g 2017) fa ed a e d e af, e ad ge e a

7. REMUNERATION OF THE AUDITORS

The Company has engaged PricewaterhouseCoopers (PwC) as its external auditors. For the year ended 31 December 2017, PwC's remuneration was \$1,000,000, which includes the audit fee of \$800,000 and the non-audit fee of \$200,000. The audit fee is determined by reference to the fee schedule set out in the PwC's Audit Fee Schedule for the year ended 31 December 2017.

8. COMPANY SECRETARY

The Company's Secretary, Mr. [Name], has been appointed as the Company Secretary since 15 January 2017. Mr. [Name] is a qualified professional secretary and has been a member of the Institute of Secretaries and Administrators (ISA) since 2010. Mr. [Name] is also a member of the Institute of Company Secretaries of Hong Kong (ICSHK) since 2010. Mr. [Name] has been a member of the Institute of Directors (IoD) since 2010. Mr. [Name] has been a member of the Institute of Chartered Secretaries (ICS) since 2010. Mr. [Name] has been a member of the Institute of Company Secretaries of Hong Kong (ICSHK) since 2010. Mr. [Name] has been a member of the Institute of Company Secretaries of Hong Kong (ICSHK) since 2010.

9. INVESTOR RELATIONS

The Company has appointed [Name] as its investor relations officer. [Name] has been a member of the Institute of Company Secretaries of Hong Kong (ICSHK) since 2010. [Name] has been a member of the Institute of Company Secretaries of Hong Kong (ICSHK) since 2010. [Name] has been a member of the Institute of Company Secretaries of Hong Kong (ICSHK) since 2010.

(2) Identification, Assessment and Response Procedures for Major Risks

The C... a... ace... de fca... ada... e... e... f... a... ,... c... e... f... a... :... e...
ad... e... e... e... a... :... e... :... T... e... e... C... a... e... ab... eda... :... de... fca...
... ced... e... ba... ed... b... :... ca... e... e... ce... ad... ce... f... c... f... eca... T... e... ced... e... :... e... a... e... ead...
ff... ce... ad... e... be... f... e... C... a... a... c... ec... la... :... :... e... e... c... :... ed... ac... e... e... be...
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de... fca... :... ea... :... e... a... de... e... ce... a... g... a... c... :... :... ef... g... e... :... de... fca... :... ced... e... f... e...
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e... B... ad... f... a... :... la... .

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(3) Procedures for Reviewing the Effectiveness of Risk Management and Internal Control System and Solving the Serious Deficiency in Internal Control

T e C a a ca ed f e e e effec e e f e a age e a d e a c e .T e

Chapter XII
Auditor's Report

KEY AUDIT MATTERS (Continued)

Key Audit Matters	How our audit addressed the Key Audit Matter
<p>1. Impairment of long-term receivables</p> <p>Refer to Note II.10 Accounts receivable, Note II.34 (1) Company accounts receivable, Note IV.9 Other receivables and Note IV.12 Long-term receivables.</p> <p>As at 31 December 2017, the carrying amount of accounts receivable, other receivables (including equity investments) was RMB16,807,361,000. In 2017, the carrying amount of accounts receivable (including equity investments) was RMB123,659,000.</p> <p>The management has assessed the carrying amount of accounts receivable, other receivables, equity investments and long-term receivables. The management has identified the carrying amount of accounts receivable, other receivables, equity investments and long-term receivables at the reporting date and has determined the impairment loss for accounts receivable, other receivables, equity investments and long-term receivables.</p> <p>The carrying amount of accounts receivable, other receivables, equity investments and long-term receivables at the reporting date is RMB16,807,361,000. The carrying amount of accounts receivable, other receivables, equity investments and long-term receivables at the reporting date is RMB123,659,000.</p>	<p>We have performed the following procedures:</p>

KEY AUDIT MATTERS (Continued)

Key Audit Matters	How our audit addressed the Key Audit Matter
<p>2. Impairment of goodwill allocated to the offshore engineering asset group, the heavy truck asset group and Energy, Chemicals and Liquid Food Equipment asset group</p> <p>Refer to Note II.20 Accounting policy and Note II.34 (2) Critical accounting estimates and Note IV.19 Goodwill impairment.</p> <p>As at 31 December 2017, the carrying amount of goodwill was RMB2,112,445,000, and the carrying amount of goodwill was RMB229,460,000, RMB38,815,000, RMB1,036,235,000, respectively. In 2017, the carrying amount of goodwill was RMB38,000,000, and the carrying amount of goodwill was RMB38,000,000, respectively. In 2017, the carrying amount of goodwill was RMB38,000,000, and the carrying amount of goodwill was RMB38,000,000, respectively.</p> <p>We performed the following procedures to address the key audit matter:</p> <p>We obtained the management's goodwill impairment test results and evaluated the effectiveness of the management's goodwill impairment test process. We also performed the goodwill impairment test ourselves.</p> <p>We based our audit on the management's goodwill impairment test results and evaluated the effectiveness of the management's goodwill impairment test process. We also performed the goodwill impairment test ourselves.</p> <p>We evaluated the management's goodwill impairment test results and evaluated the effectiveness of the management's goodwill impairment test process. We also performed the goodwill impairment test ourselves.</p> <p>We conducted the goodwill impairment test ourselves.</p> <p>We evaluated the management's goodwill impairment test results and evaluated the effectiveness of the management's goodwill impairment test process. We also performed the goodwill impairment test ourselves.</p> <p>We performed the following procedures to address the key audit matter:</p> <p>We obtained the management's goodwill impairment test results and evaluated the effectiveness of the management's goodwill impairment test process. We also performed the goodwill impairment test ourselves.</p> <p>We based our audit on the management's goodwill impairment test results and evaluated the effectiveness of the management's goodwill impairment test process. We also performed the goodwill impairment test ourselves.</p> <p>We evaluated the management's goodwill impairment test results and evaluated the effectiveness of the management's goodwill impairment test process. We also performed the goodwill impairment test ourselves.</p> <p>We conducted the goodwill impairment test ourselves.</p> <p>We evaluated the management's goodwill impairment test results and evaluated the effectiveness of the management's goodwill impairment test process. We also performed the goodwill impairment test ourselves.</p>	<p>We performed the following procedures to address the key audit matter:</p> <p>We obtained the management's goodwill impairment test results and evaluated the effectiveness of the management's goodwill impairment test process. We also performed the goodwill impairment test ourselves.</p> <p>We based our audit on the management's goodwill impairment test results and evaluated the effectiveness of the management's goodwill impairment test process. We also performed the goodwill impairment test ourselves.</p> <p>We evaluated the management's goodwill impairment test results and evaluated the effectiveness of the management's goodwill impairment test process. We also performed the goodwill impairment test ourselves.</p> <p>We conducted the goodwill impairment test ourselves.</p> <p>We evaluated the management's goodwill impairment test results and evaluated the effectiveness of the management's goodwill impairment test process. We also performed the goodwill impairment test ourselves.</p> <p>We performed the following procedures to address the key audit matter:</p> <p>We obtained the management's goodwill impairment test results and evaluated the effectiveness of the management's goodwill impairment test process. We also performed the goodwill impairment test ourselves.</p> <p>We based our audit on the management's goodwill impairment test results and evaluated the effectiveness of the management's goodwill impairment test process. We also performed the goodwill impairment test ourselves.</p> <p>We evaluated the management's goodwill impairment test results and evaluated the effectiveness of the management's goodwill impairment test process. We also performed the goodwill impairment test ourselves.</p> <p>We conducted the goodwill impairment test ourselves.</p> <p>We evaluated the management's goodwill impairment test results and evaluated the effectiveness of the management's goodwill impairment test process. We also performed the goodwill impairment test ourselves.</p>

KEY AUDIT MATTERS (Continued)

Key Audit Matters	How our audit addressed the Key Audit Matter
<p>3. Impairment of fixed assets</p> <p>Refer to Note II.20 Accounting policy and Note II.34 (2) Company accounting policy and Note IV.15 Financial assets.</p> <p>As at December 31, 2017, the carrying amount of the property, plant and equipment was RMB22,941,021,000. In 2017, the carrying amount of the property, plant and equipment was RMB20,252,000.</p> <p>The Company has performed impairment tests on the property, plant and equipment at the end of each reporting period. The impairment tests are performed based on the cash generating units (CGUs) to which the property, plant and equipment belong. The carrying amount of the CGUs is compared with the recoverable amount of the CGUs. If the carrying amount of the CGUs is higher than the recoverable amount, the carrying amount of the CGUs is reduced to the recoverable amount. The impairment loss is recognized in the profit or loss account.</p> <p>In 2017, the carrying amount of the property, plant and equipment was RMB20,252,000. The carrying amount of the property, plant and equipment was RMB22,941,021,000. The carrying amount of the property, plant and equipment was RMB20,252,000. The carrying amount of the property, plant and equipment was RMB22,941,021,000.</p> <p>We performed the following procedures to address this key audit matter:</p>	<p>We performed the following procedures to address this key audit matter:</p> <p>We obtained and reviewed the impairment test results prepared by management. We evaluated the reasonableness of the assumptions used in the impairment tests. We performed independent impairment tests on the CGUs to which the property, plant and equipment belong. We compared the carrying amount of the CGUs with the recoverable amount of the CGUs. We found that the carrying amount of the CGUs was higher than the recoverable amount of the CGUs. We found that the carrying amount of the CGUs was higher than the recoverable amount of the CGUs.</p> <p>We performed the following procedures to address this key audit matter:</p> <p>We obtained and reviewed the impairment test results prepared by management. We evaluated the reasonableness of the assumptions used in the impairment tests. We performed independent impairment tests on the CGUs to which the property, plant and equipment belong. We compared the carrying amount of the CGUs with the recoverable amount of the CGUs. We found that the carrying amount of the CGUs was higher than the recoverable amount of the CGUs. We found that the carrying amount of the CGUs was higher than the recoverable amount of the CGUs.</p> <p>We performed the following procedures to address this key audit matter:</p> <p>We obtained and reviewed the impairment test results prepared by management. We evaluated the reasonableness of the assumptions used in the impairment tests. We performed independent impairment tests on the CGUs to which the property, plant and equipment belong. We compared the carrying amount of the CGUs with the recoverable amount of the CGUs. We found that the carrying amount of the CGUs was higher than the recoverable amount of the CGUs. We found that the carrying amount of the CGUs was higher than the recoverable amount of the CGUs.</p> <p>We performed the following procedures to address this key audit matter:</p> <p>We obtained and reviewed the impairment test results prepared by management. We evaluated the reasonableness of the assumptions used in the impairment tests. We performed independent impairment tests on the CGUs to which the property, plant and equipment belong. We compared the carrying amount of the CGUs with the recoverable amount of the CGUs. We found that the carrying amount of the CGUs was higher than the recoverable amount of the CGUs. We found that the carrying amount of the CGUs was higher than the recoverable amount of the CGUs.</p>

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KEY AUDIT MATTERS (Continued)

Key Audit Matter	How it was addressed by the Key Audit Matter
<p>5. Purchase price allocation for acquisition of SOE</p> <p>Refer to Note 5.5 Accounting for the acquisition of the subsidiary, N.E.V.1. The purchase price is allocated to the identifiable intangible assets and goodwill.</p> <p>On April 2017, the Company acquired 100% of the shares of Haidig (Shanghai) Ltd. (EIHL) from the former SOE shareholder, at a cost of RMB799,800,000. The purchase price is allocated to the identifiable intangible assets and goodwill.</p> <p>According to the Company's accounting policy, the purchase price is allocated to the identifiable intangible assets and goodwill. The goodwill is measured as the excess of the purchase price over the fair value of the identifiable intangible assets.</p>	<p>The audit procedures performed to address this key audit matter are as follows:</p> <p>Obtain and review the purchase agreement and the relevant financial statements of the subsidiary.</p> <p>Obtain and review the valuation report prepared by the independent valuation firm.</p> <p>Obtain and review the management's calculation of the purchase price allocation.</p> <p>Obtain and review the management's calculation of the goodwill.</p> <p>Obtain and review the management's calculation of the identifiable intangible assets.</p> <p>Obtain and review the management's calculation of the purchase price allocation.</p> <p>Obtain and review the management's calculation of the goodwill.</p> <p>Obtain and review the management's calculation of the identifiable intangible assets.</p>

OTHER INFORMATION

Management of CIMC is responsible for the preparation of the financial statements. The financial statements are prepared in accordance with the accounting policies and estimates adopted by CIMC.

Our audit is based on the financial statements prepared by Management. We do not provide any assurance on the financial statements.

In addition, we have performed procedures to identify and assess the risks of material misstatement, including those due to fraud. We have also performed procedures to identify and assess the risks of material misstatement due to fraud. If we identify any risks of material misstatement due to fraud, we will report them to the appropriate authorities. We are not responsible for the prevention or detection of fraud.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management of CIMC is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable accounting standards, and for the design, implementation and maintenance of internal control systems to prevent and detect fraud. Management is also responsible for the preparation and maintenance of the accounting records.

In preparing the financial statements, management is required to exercise judgment and make estimates. Management is also required to exercise judgment in the application of accounting standards. Management is also responsible for the preparation and maintenance of the accounting records.

The engaged auditor is responsible for the audit of the financial statements in accordance with the applicable auditing standards.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT

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AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (Continued)

We are required to exercise professional judgment and to apply significant judgment in the areas of accounting, auditing, and tax. We are also required to exercise professional judgment in the areas of accounting, auditing, and tax.

For the purpose of this audit, we have exercised professional judgment in the areas of accounting, auditing, and tax. We have also exercised professional judgment in the areas of accounting, auditing, and tax. We have also exercised professional judgment in the areas of accounting, auditing, and tax.

PricewaterhouseCoopers (PwC) LLP

Chartered Public Accountants

Zhang Weina
(Eugene Paoli)

Sage, the People's Republic of China
27 March 2018

Chartered Public Accountants

Caizheng

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Financial Statements Prepared in Accordance with CASBE

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CONSOLIDATED BALANCE SHEET

N e	31 December 2017	31 Decem be 2016	
ASSETS			
Current assets:			
Ca a ba : a d a d	IV.1	5,596,314	6,325,998
F a c a a e a fa, L a t e i g i f i	IV.2	194,880	141,160
N e i e c a a b e	IV.3	1,376,864	1,536,191
Acc i e c a a b e	IV.4	16,396,726	11,526,075
A d a c e e	IV.6	2,147,721	2,165,982
I e e i e c a a b e		19,092	9,250
D e d e c a a b e		4,408	41,959
O e i e c a a b e	IV.5	8,259,736	9,347,887
I u e e	IV.7	19,258,327	17,409,515
A e e d f i a e	IV.8	235,309	203,847
O e i e a e	IV.9	4,314,250	3,941,689
O e i e a e	IV.10	1,198,296	702,478
Total current assets		59,001,923	53,352,031
Non-current assets:			
F a c a a e a fa, L a t e i g i f i	IV.2	318,534	325,187
A a a b e - f i - a e f a c a a e	IV.11	441,581	442,726
L g - e i e c a a b e	IV.12	12,880,540	13,220,242
L g - e i e c a a b e	IV.13	2,398,495	2,162,217
I u e e i e e	IV.14	1,679,189	1,752,608
F e d a e	IV.15	22,941,021	22,037,261
C i c i g e	IV.16	22,194,585	22,769,189
D a f f e d a e	IV.17	147,661	130,050
I a g b e a e	IV.18	4,711,244	4,654,757
D e e e c	IV.18	67,399	49,990
G d	IV.19	2,112,445	2,127,893
L g - e i e a d e e e	IV.20	205,239	246,574
D e f e r e d a a e	IV.21	1,416,637	1,257,670
O e i e a e	IV.22	87,886	86,353
Total non-current assets		71,602,456	71,262,717
TOTAL ASSETS		130,604,379	124,614,748

Financial Statements Prepared in Accordance with CASBE

(All amounts in RMB'000 unless otherwise specified)
(Except for the financial statements prepared in accordance with CASBE)



Financial Statements Prepared in Accordance with CASBE

As at 31 December, 2017
 (Amount in RMB'000 unless otherwise indicated)
 (English text prevails over Chinese text)

BALANCE SHEET

Name	31 December 2017	31 December 2016
ASSETS		
Current assets:		
Accounts receivable	XVI.1 1,366,876	2,660,222
Due dividend	XVI.2 4,918,369	4,755,818
Other receivables	XVI.3 13,197,142	13,131,416
Other items	5,771	9,272
Total current assets	19,488,158	20,556,728
Non-current assets:		
Available-for-sale financial assets	XVI.4 388,905	388,905
Long-term equity investments	XVI.5 9,583,886	9,375,276
Fixed assets	XVI.6 143,131	102,372
Construction in progress	56,326	844
Deferred tax assets	1,117	
Intangible assets	14,207	14,466
Long-term prepayments	29,627	40,730
Deferred tax liabilities	XVI.15 73,140	52,280
Total non-current assets	10,290,339	

Financial Statements Prepared in Accordance with CASBE

(All amounts in RMB'000 unless otherwise specified)
 (E.g. Table 1, Reference 1)

	Notes	31 December 2017	31 December 2016
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Shareholders' equity	XVI.7	350,000	2,710,000

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CONSOLIDATED INCOME STATEMENT

Item	N e	2017	2016
I. Revenue	IV.50	76,299,930	51,111,652
Le : C f ae	IV.50	62,292,715	41,482,017
Ta e ad, c a ge	IV.51	516,723	503,099
Se g ad d, b e e e e	IV.52	2,926,718	2,156,980
Ge e a a d ad, a l e e e e	IV.53	5,482,054	4,208,598
F a c a e e e - e	IV.54	1,446,321	719,109
A e a, e e e	IV.60	671,341	2,089,634
Add: P, f a, g f, c a ge f a, l a t e	IV.56	111,316	613,913
l e e l c e	IV.57	510,351	234,410
l c d g: S a e f, f f a c a e a d l e, e		30,675	87,266
G a d a f a e	IV.58	113,334	402,346
O e, c e	IV.59	472,626	
II. Operating profit		4,171,685	1,202,884
Add: N - e a g c e	IV.61	622,421	761,241
Le : N - e a g e e e	IV.62	384,865	262,074
III. Total profit		4,409,241	1,702,051
Le : l c e a e e e	IV.63	1,250,826	967,068
IV. Net profit		3,158,415	734,983
Classified by business continuity			
Ne, f f, c g e a		3,158,415	734,983
Ne, f f, d c ed e a		-	
Classified by ownership			
O e, f e c a		2,509,242	539,660
N -c, g e e		649,173	195,323
V. Other comprehensive income, net of tax	IV.47	Income	

Financial Statements Prepared in Accordance with CASBE

Financial statements as at 31 December 2017
 (All amounts in RMB'000 unless otherwise stated)
 (English text prevails over Chinese text)

INCOME STATEMENT

Item	Note	2017	2016
I. Revenue	XVI.19	331,166	156,526
Less: Cost of sales	XVI.19	1,452	24,006
Transportation charges		1	3,373
General administrative expenses		385,532	(285,476)
Finance expenses	XVI.20	690,060	(353,608)
Add: Profit from disposal of assets	XVI.21	2,747	10,895
Income tax	XVI.22	959,649	1,259,065
Government subsidies		30	116
Others		33,855	
II. Operating profit		250,402	2,038,307
Add: Non-operating income	XVI.23	7,408	33,057
Less: Non-operating expenses	XVI.24	199,564	79,573
III. Total profit		58,246	1,991,791
Less: Income tax (expense)	XVI.25	(20,860)	164,168
IV. Net profit		79,106	1,827,623
Classified by business continuity			
Continuing operations		79,106	1,827,623
Discontinued operations		-	-
V. Other comprehensive income, net of tax	XVI.17	-	-
VI. Total comprehensive income		79,106	1,827,623

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

Legal representative:
 Director: Ma Baogang

Chief financial officer:
 Accounting officer: Zhang Ha

Head of accounting department:
 Zhang Ha

F, e ea, e ded 31 Dece, be, 2017

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CONSOLIDATED CASH FLOW STATEMENT

Item	Net	2017	2016
I. Cash flows from operating activities			
Cash received from sale of fixed assets, long-term investments and other non-current assets		76,044,774	49,660,627
Receivables from sale of receivables		2,743,233	1,996,152
Cash received from disposal of subsidiaries	IV.65(1)	1,691,926	475,604
Sub-total of cash inflows		80,479,933	52,132,383
Cash paid for purchase of fixed assets, long-term investments and other non-current assets		61,590,642	37,875,868
Cash paid for acquisition of subsidiaries		6,210,535	6,052,008
Payments for acquisition of receivables		2,585,689	1,292,403
Cash paid for disposal of subsidiaries	IV.65(2)	5,817,688	4,570,485
Sub-total of cash outflows		76,204,554	49,790,764
Net cash inflows from operating activities	IV.66(1)	4,275,379	2,341,619
II. Cash flows from investing activities			
Cash received from disposal of long-term investments		9,728,843	227,461
Cash received from disposal of long-term investments		58,824	224,760
Net cash received from disposal of long-term investments, available for sale investments and other non-current assets		986,733	904,597
Net cash received from disposal of long-term investments	IV.66(3)	475,629	206,421
Cash received from disposal of long-term investments	IV.65(3)	189,452	446,920
Sub-total of cash inflows		11,439,481	2,010,159
Cash paid for acquisition of long-term investments available for sale		1,707,232	7,239,592
Cash paid for acquisition of long-term investments		10,748,209	886,860
Net cash paid for acquisition of long-term investments	IV.66(2)	564,145	738,362
Sub-total of cash outflows		13,019,586	8,864,814
Net cash outflows from investing activities		(1,580,105)	(6,854,655)

Financial Statements Prepared in Accordance with CASBE

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Item	Net	2017	2016
III. Cash flows from financing activities			
Cash received from issuing debt		2,803,150	1,768,906
Interest received from bank deposits		2,771,957	1,760,575
Cash received from bank deposits		59,930,549	54,548,656
Cash received from bank deposits		-	7,986,500
Cash received from bank deposits	IV.65(4)	16,474	3,755
Sub-total of cash inflows		62,750,173	64,307,817
Cash paid for bank deposits		62,807,109	52,820,203
Cash paid for bank deposits		2,866,790	3,228,079
Interest paid for bank deposits		396,376	161,253
Cash paid for bank deposits	IV.65(5)	613,427	748,489
Sub-total of cash outflows		66,287,326	56,796,771
Net cash (outflows)/inflows from financing activities		(3,537,153)	7,511,046
IV. Effect of foreign exchange rate changes on cash and cash equivalents		(53,931)	81,534
V. Net (decrease)/increase in cash and cash equivalents	IV.66(1)	(895,810)	3,079,544
Add: Cash and cash equivalents at the beginning of the year		6,338,667	3,259,123
VI. Cash and cash equivalents at the end of the year	IV.66(4)	5,442,857	6,338,667

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For the period ended 31 December, 2017
 (Amount in RMB'000 unless otherwise stated)
 (English text prevails over Chinese text)

CASH FLOW STATEMENT

Item	Net	2017	2016
I. Cash flows from operating activities			
Cash received from sale of goods and services		274,870	156,526
Cash received from sale of fixed assets		2,036,017	257,702
Sub-total of cash inflows		2,310,887	414,228
Cash paid for purchase of goods		-	39,842
Cash paid for purchase of fixed assets		120,634	219,452
Cash paid for purchase of intangible assets		2,787	16,698
Cash paid for acquisition of subsidiaries		658,489	4,933,042
Sub-total of cash outflows		781,910	5,209,034
Net cash inflows/(outflows) from operating activities	XVI.26	1,528,977	(4,794,806)
II. Cash flows from investing activities			
Cash received from disposal of long-term investments		9,500,000	
Cash received from disposal of fixed assets		511,092	245,460
Net cash received from disposal of financial assets		74	3,037
Net cash received from disposal of other long-term investments		50	8,944
Sub-total of cash inflows		10,011,216	257,441
Cash paid for acquisition of subsidiaries, associates and other equity investments		110,485	41,191
Cash paid for acquisition of long-term investments		9,500,000	
Net cash paid for acquisition of other long-term investments		81,616	77,991
Cash paid for disposal of fixed assets		58,000	
Sub-total of cash outflows		9,750,101	119,182
Net cash inflows from investing activities		261,115	138,259
III. Cash flows from financing activities			
Cash received from issue of equity		31,193	8,331
Cash received from issue of debt		9,970,000	8,176,000
Cash received from issue of debt		-	7,986,500
Sub-total of cash inflows		10,001,193	16,170,831
Cash received from disposal of long-term investments		12,334,000	9,319,881
Cash received from disposal of fixed assets		806,492	1,126,037
Cash received from disposal of other long-term investments		30,960	6,189
Sub-total of cash outflows		13,171,452	10,452,107
Net cash (outflows)/inflows from financing activities		(3,170,259)	5,718,724
IV. Effect of foreign exchange rate changes on cash and cash equivalents		427	428
V. Net (decrease)/increase in cash and cash equivalents	XVI.26	(1,379,740)	1,062,605
Add: Cash and cash equivalents at the beginning of the year		1,715,470	652,865
VI. Cash and cash equivalents at the end of the year	XVI.26	335,730	1,715,470

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

Legal representative:
 Director: Ma Bang

Chief financial officer:
 Accounting Officer: Zhang Ha

Head of accounting:
 Deputy: Zhang Ha

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 (All amounts in RMB'000 unless otherwise stated)
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CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	2017						2016										
	Share capital	Other equity instruments	Capital surplus	Comprehensive income	Surplus reserve	Undistributed profits	Minority interest	Total shareholders' equity	Sale of assets	Other	Capital surplus	Comprehensive income	Surplus reserve	Undistributed profits	Minority interest	Total shareholders' equity	
At the beginning of the year																	
Net income																	
Other comprehensive income																	
Share-based payment																	
Disposal of subsidiaries																	
Other																	
At the end of the year																	

For the year ended 31 December 2017
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STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	2017					2016						
	Share capital instruments	Other Equity	Capital surplus	comprehensive income	Surplus reserve	Undistributed profits	Total shareholders' equity	Share capital	Other comprehensive income	Capital surplus	Undistributed profits	Total shareholders' equity
I. Balance at 31 December 2016	2,978,577	2,049,035	3,287,149	43,754	3,279,379	2,380,348	14,018,242	2,977,820	2,033,043	3,279,575	43,754	3,203,578
II. Movements for the year	-	87,808	-	-	-	(8,702)	79,106	119,792	-	-	-	1,707,831
(I) Total comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
1. Net income	-	-	-	-	-	-	-	-	-	-	-	-
2. Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total of I & 2	-	87,808	-	-	-	(8,702)	79,106	119,792	-	-	-	1,707,831
(II) Capital contribution and withdrawal by owners	4,312	-	43,746	-	-	-	48,058	757	7,574	-	-	8,331
1. Issued shares	-	-	-	-	-	-	-	-	-	-	-	-
2. Issued shares	-	-	-	-	-	-	-	-	-	-	-	-
3. Issued shares	-	-	-	-	-	-	-	-	-	-	-	-
(III) Profit distribution	-	-	-	-	2,156	(2,156)	-	-	-	-	-	(75,801)
1. Dividend	-	-	-	-	-	(179,837)	(179,837)	-	-	-	-	(654,822)
2. Dividend	-	-	-	-	-	-	-	-	-	-	-	-
3. Dividend	-	-	-	-	-	-	-	-	-	-	-	-
III. Balance at 31 December 2017	2,982,889	2,033,043	3,330,895	43,754	3,281,535	2,189,653	13,861,769	2,978,577	2,049,035	3,287,149	43,754	3,279,379

Te acc a g e f r a e g a a f e e f a c a a e e .
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 Ma B a g Ze g Ha Ze g Ha

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Financial statements as at 31 December 2017
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(English text prevails over Chinese text)

I. GENERAL INFORMATION (CONTINUED)

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T f a c a a e e a e b e e a , l e d f, a c e e b e C a ' B a, d f D, e c , 27 Ma, c 2018.

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

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(Except for amounts in parentheses, Reference to " ")

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Financial Statements Prepared in Accordance with CASBE

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

6. Preparation of consolidated financial statements

The consolidated financial statements are prepared on the basis of the accounting records maintained by the Company and its subsidiaries. The consolidated financial statements are prepared in accordance with the accounting policies and accounting estimates adopted by the Company and its subsidiaries.

When preparing consolidated financial statements, the Company and its subsidiaries shall use the same accounting policies and accounting estimates. When preparing consolidated financial statements, the Company and its subsidiaries shall use the same accounting policies and accounting estimates.

When preparing consolidated financial statements, the Company and its subsidiaries shall use the same accounting policies and accounting estimates. When preparing consolidated financial statements, the Company and its subsidiaries shall use the same accounting policies and accounting estimates.

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Financial Statements Prepared in Accordance with CASBE

For the period ended 31 December, 2017
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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

6. Preparation of consolidated financial statements (Continued)

We are accounted for under the consolidated financial statements of the Group. The consolidated financial statements are prepared in accordance with the accounting policies and estimates of the Group.

All financial assets and liabilities are measured at fair value. The fair value of financial assets and liabilities is determined based on the quoted market prices in an active market. For financial assets and liabilities that are not traded in an active market, the fair value is determined based on the valuation techniques. The fair value of financial assets and liabilities is determined based on the quoted market prices in an active market. For financial assets and liabilities that are not traded in an active market, the fair value is determined based on the valuation techniques. The fair value of financial assets and liabilities is determined based on the quoted market prices in an active market. For financial assets and liabilities that are not traded in an active market, the fair value is determined based on the valuation techniques.

The difference between the carrying amount and the fair value of financial assets and liabilities is recognized in profit or loss.

7. Cash and cash equivalents

Cash and cash equivalents are defined as cash on hand and deposits with original maturity less than three months that are readily convertible into known amounts of cash and subject to an insignificant risk of changes in value.

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

We use the Renminbi (RMB) as the functional currency for the Group. The financial statements are presented in RMB. All foreign currency transactions are recorded in the functional currency at the exchange rate prevailing at the date of the transaction. At the end of each reporting period, foreign currency monetary items are translated into the functional currency at the closing rate. Non-monetary items that are measured in terms of historical cost are translated into the functional currency at the exchange rate prevailing at the date of the transaction. Non-monetary items that are measured at fair value are translated into the functional currency at the exchange rate prevailing at the date when the fair value was determined.

All exchange rates are based on the exchange rates of the Renminbi against the foreign currencies as published by the People's Bank of China. All exchange rates are based on the exchange rates of the Renminbi against the foreign currencies as published by the People's Bank of China.

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Financial statements ended 31 December, 2017

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (C

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

9. Financial instruments (Continued)

(1) Financial Assets (Continued)

(a) Classification of financial assets (Continued)

b. Receivables

Receivables are initially recognized at the fair value less expected credit losses. Subsequent to initial recognition, receivables are measured at amortized cost less expected credit losses.

c. Available-for-sale financial assets

Available-for-sale financial assets are initially recognized at fair value. Subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in the fair value of available-for-sale financial assets are recognized in other comprehensive income. Dividends received on available-for-sale financial assets are recognized in profit or loss.

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

9. Financial instruments (Continued)

(1) Financial Assets (Continued)

(c) Impairment of financial assets

The Group assesses the carrying amount of financial assets at the end of each reporting period to determine whether there is any objective evidence of impairment. If there is objective evidence of impairment, the Group determines the amount of impairment loss.

Objective evidence of impairment includes: (1) significant financial difficulty of the issuer or debtor; (2) breach of contract terms; (3) restructuring of financial assets on terms less favorable than original terms; (4) the issuer or debtor is in bankruptcy proceedings; (5) the disappearance of the issuer or debtor; (6) the issuer or debtor is a highly volatile market; (7) the issuer or debtor is a highly volatile market; (8) the issuer or debtor is a highly volatile market.

For debt investments, the Group assesses impairment based on the expected cash flows. The Group uses the present value of expected cash flows discounted at the original effective interest rate to measure the impairment loss. For equity investments, the Group assesses impairment based on the fair value less costs of disposal. The Group uses the fair value less costs of disposal to measure the impairment loss. The Group uses the fair value less costs of disposal to measure the impairment loss.

When the Group determines that an impairment loss should be recognized, it recognizes the impairment loss in the profit or loss account. The Group assesses whether the impairment loss should be reversed. If there is objective evidence that the impairment loss should be reversed, the Group reverses the impairment loss in the profit or loss account.

When the Group determines that an impairment loss should be recognized, it recognizes the impairment loss in the profit or loss account. The Group assesses whether the impairment loss should be reversed. If there is objective evidence that the impairment loss should be reversed, the Group reverses the impairment loss in the profit or loss account.

When the Group determines that an impairment loss should be recognized, it recognizes the impairment loss in the profit or loss account. The Group assesses whether the impairment loss should be reversed. If there is objective evidence that the impairment loss should be reversed, the Group reverses the impairment loss in the profit or loss account.

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

9. Financial instruments (Continued)

(3) Determination of fair value

The fair value of financial assets and liabilities is determined based on the quoted market prices in active markets. For financial assets and liabilities that are not traded in active markets, the fair value is determined using valuation techniques. The fair value of financial assets and liabilities is determined based on the quoted market prices in active markets. For financial assets and liabilities that are not traded in active markets, the fair value is determined using valuation techniques. The fair value of financial assets and liabilities is determined based on the quoted market prices in active markets. For financial assets and liabilities that are not traded in active markets, the fair value is determined using valuation techniques.

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

10. Receivables (Continued)

If, after a reasonable period, the receivable is not expected to be collected, the company will assess the recoverability of the receivable. The company will estimate the expected credit loss based on the historical loss experience and other relevant information. The company will also consider the current and expected credit risk of the debtor. The company will also consider the credit risk of the debtor. The company will also consider the credit risk of the debtor.

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

For accounts receivable that are individually significant, the company will assess the recoverability of the receivable. The company will estimate the expected credit loss based on the historical loss experience and other relevant information. The company will also consider the current and expected credit risk of the debtor. The company will also consider the credit risk of the debtor.

Management will assess the recoverability of the receivable. The company will estimate the expected credit loss based on the historical loss experience and other relevant information. The company will also consider the current and expected credit risk of the debtor. The company will also consider the credit risk of the debtor.

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

For accounts receivable that are individually insignificant, the company will assess the recoverability of the receivable. The company will estimate the expected credit loss based on the historical loss experience and other relevant information. The company will also consider the current and expected credit risk of the debtor. The company will also consider the credit risk of the debtor.

Management will assess the recoverability of the receivable. The company will estimate the expected credit loss based on the historical loss experience and other relevant information. The company will also consider the current and expected credit risk of the debtor. The company will also consider the credit risk of the debtor.

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

10. Receivables (Continued)

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

Receivables are assessed for impairment on a collective group basis (1) and (2), respectively, as follows:

December 31, 2017

Accounting policy: 18.89 December 31, 2017

December 31, 2016

Accounting policy: 18.89 December 31, 2016

December 31, 2015

Accounting policy: 18.89 December 31, 2015

December 31, 2014

Accounting policy: 18.89 December 31, 2014

December 31, 2013

Accounting policy: 18.89 December 31, 2013

December 31, 2012

Accounting policy: 18.89 December 31, 2012

December 31, 2011

Accounting policy: 18.89 December 31, 2011

December 31, 2010

Accounting policy: 18.89 December 31, 2010

December 31, 2009

Accounting policy: 18.89 December 31, 2009

December 31, 2008

Accounting policy: 18.89 December 31, 2008

December 31, 2007

Accounting policy: 18.89 December 31, 2007

December 31, 2006

Accounting policy: 18.89 December 31, 2006

December 31, 2005

Accounting policy: 18.89 December 31, 2005

December 31, 2004

Accounting policy: 18.89 December 31, 2004

December 31, 2003

Accounting policy: 18.89 December 31, 2003

December 31, 2002

Accounting policy: 18.89 December 31, 2002

December 31, 2001

Accounting policy: 18.89 December 31, 2001

December 31, 2000

Accounting policy: 18.89 December 31, 2000

<p>G1 1</p> <p>G1 2</p> <p>G1 3</p> <p>G1 4</p> <p>G1 5</p> <p>G1 6</p> <p>G1 7</p> <p>Balance at the beginning of the year</p>	<p>Change</p> <p>Realized gain/loss</p> <p>Exchange rate differences</p> <p>Transfer</p> <p>Logically</p> <p>Other</p> <p>Financial</p> <p>Balance at the end of the year</p>
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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Receivables (Continued)

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

Measures for impairment are assessed on a collective basis (based on age group, a percentage of receivables).

Case	Provision	decreased	based on	age group	(Q1, Q2, Q3, Q4)
Radical	Provision	decreased	based on	age group	(Q1, Q2, Q3, Q4)
Expected credit loss	Provision	decreased	based on	age group	(Q1, Q2, Q3, Q4)
Asset	Provision	decreased	based on	age group	(Q1, Q2, Q3, Q4)
Logistics	Provision	decreased	based on	age group	(Q1, Q2, Q3, Q4)
Other	Provision	decreased	based on	age group	(Q1, Q2, Q3, Q4)
Finance receivables	Provision	decreased	based on	age group	(Q1, Q2, Q3, Q4)
Bad debt	Provision	decreased	based on	age group	(Q1, Q2, Q3, Q4)
Financial assets	Provision	decreased	based on	age group	(Q1, Q2, Q3, Q4)

Ageing	Percentage of total accounts receivable (%)	
	Group 1,2,4,5,6	Group 3
Within 1 year (inclusive)	5%	0%-5%
1-2 years (inclusive)	30%	30%
Over 2 years	100%	100%

(4) We are committed to providing high-quality services to our customers and to maintaining a good relationship with them. We have established a credit management system to monitor the credit status of our customers and to take timely measures to reduce the risk of non-payment. We have also established a risk management system to identify and assess the credit risk of our customers and to take timely measures to reduce the risk of non-payment.

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(English text prevails over Chinese text)

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

11. Inventories

(1) Classification

Inventories are classified as raw materials, work in progress, finished goods, and consumables. Raw materials are those materials that are used in the production process. Work in progress includes materials that are currently being processed. Finished goods are those goods that are ready for sale. Consumables are those items that are used in the production process but are not directly related to the production of goods.

(2) Cost of inventories

Cost of inventories includes purchase price, transportation costs, and other costs incurred in bringing the inventories to their present location and condition.

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

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and less estimated costs of disposal. The basis of provision for decline in value of inventories is the difference between the cost of inventories and their net realisable value. The provision is recognized when the net realisable value is lower than the cost of inventories.

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(English text prevails over Chinese text in case of discrepancy)

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

12. Long-term equity investments

Long-term equity investments are accounted for using the cost method. Long-term equity investments are measured at cost less impairment. Long-term equity investments are tested for impairment when there are indications that the investment might be impaired or the carrying amount exceeds the recoverable amount. The recoverable amount is the maximum of the fair value less costs of disposal and the present value of the estimated future cash flows expected to be received from the investment.

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

13. Investment properties

Investment properties are those properties held by the Company to earn rental income or for capital appreciation. Investment properties are measured at cost less accumulated depreciation and impairment losses. Investment properties are revalued to fair value at the end of each reporting period. Any change in fair value is recognized in profit or loss.

The Company's investment properties are primarily land use rights and buildings. Investment properties are measured at cost less accumulated depreciation and impairment losses. Investment properties are revalued to fair value at the end of each reporting period. Any change in fair value is recognized in profit or loss.

When the fair value of investment properties cannot be reliably determined, the Company measures investment properties at cost less accumulated depreciation and impairment losses. Investment properties are revalued to fair value at the end of each reporting period. Any change in fair value is recognized in profit or loss.

All investment properties are measured at fair value at the end of each reporting period. The fair value of investment properties is determined by reference to the market value of similar properties in the same location and condition.

14. Fixed assets

(1) Recognition

Fixed assets are recognized when the Company has acquired the asset and it is probable that the future economic benefits associated with the asset will flow to the Company.

The cost of fixed assets includes the purchase price, import duties, and other directly attributable costs. The cost of fixed assets is reduced by accumulated depreciation and impairment losses.

When the fair value of fixed assets cannot be reliably determined, the Company measures fixed assets at cost less accumulated depreciation and impairment losses.

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

14. Fixed assets (Continued)

(1) Recognition (Continued)

The book value of fixed assets is determined based on the actual cost of acquisition. For fixed assets acquired by purchase, the cost includes the purchase price, import duties, transportation fees, and other expenses incurred to bring the asset to the location and condition necessary for it to be available for use. For fixed assets acquired by construction, the cost includes the cost of materials, labor, and other expenses incurred during the construction process.

For fixed assets acquired by purchase, the cost is determined based on the actual cost of acquisition.

(2) Depreciation

Fixed assets are depreciated using the straight-line method. The depreciation period and the depreciation rate are determined based on the nature of the asset and its expected useful life. The depreciation period and the depreciation rate are as follows:

Category	Residual Value (%)	Depreciation Rate (%)	Depreciation Rate (%)
Plant and machinery	20-30	10%	3-4.5%
Motor vehicles	10-12	10%	7.5-9%
Office equipment	3-5	10%	18-30%
Machinery	5	10%	18%
Decorative	50	10%	1.8%
Office equipment	15-30	10%	3-6%

For fixed assets, the depreciation period and the depreciation rate are determined based on the nature of the asset and its expected useful life.

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

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

For fixed assets held under finance leases, the measurement method is determined based on Note II.27(3).

(5) Disposal

For fixed assets that are disposed of, the disposal cost is determined based on the actual cost of disposal. The disposal cost includes the cost of transportation, dismantling, and other expenses incurred during the disposal process.

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

15. Construction in progress

Construction in progress is measured at cost. The cost includes the cost of materials, labor, depreciation of fixed assets, other direct expenses, and indirect expenses (see Note II.16), and other expenses incurred in the process of construction.

At the end of the reporting period, the cost of construction in progress is measured at the lower of cost and net realizable value. Construction in progress is transferred to fixed assets when the construction is completed and ready for use (see Note II.20).

16. Borrowing costs

Borrowing costs are recognized as an expense when they are incurred. Borrowing costs are capitalized when they are directly attributable to the acquisition, construction or production of a qualifying asset.

Except for the above, other borrowing costs are recognized as an expense when they are incurred.

The amount of borrowing costs capitalized is determined by the amount of borrowing costs incurred during the period less the amount of borrowing costs that have been expensed.

When the amount of borrowing costs capitalized exceeds the amount of borrowing costs incurred during the period, the excess amount is expensed. When the amount of borrowing costs capitalized is less than the amount of borrowing costs incurred during the period, the difference is expensed.

When the amount of borrowing costs capitalized exceeds the amount of borrowing costs incurred during the period, the excess amount is expensed. When the amount of borrowing costs capitalized is less than the amount of borrowing costs incurred during the period, the difference is expensed.

The effective interest rate is the rate that discounts the estimated future cash payments or receipts related to the financial asset or liability (excluding fees that are netted with the cash payments or receipts) to its net carrying amount at initial recognition.

The amount of borrowing costs capitalized is determined by the amount of borrowing costs incurred during the period less the amount of borrowing costs that have been expensed.

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

16. Borrowing costs (Continued)

The Company's borrowing costs are recognized as an expense when they are incurred. For the purpose of determining the amount of borrowing costs that should be capitalized, the Company uses the weighted average of the borrowing costs applicable to the borrowings of the same currency and term that are available to the Company at the end of each reporting period. Borrowing costs are capitalized when they are directly attributable to the acquisition, construction or production of a qualifying asset. The amount of borrowing costs capitalized is determined by applying the weighted average of the borrowing costs applicable to the borrowings of the same currency and term that are available to the Company at the end of each reporting period to the expenditures that are eligible for capitalization during the reporting period. Borrowing costs are not capitalized when they are incurred on borrowings for the purpose of financing the purchase of financial assets or the purchase of investment property.

17. Intangible assets

The Company's intangible assets are recognized when they are identifiable and their cost can be reliably measured. The Company's intangible assets are recognized at cost less accumulated amortization and impairment losses. The Company's intangible assets are amortized over their useful lives. The Company's intangible assets are tested for impairment when there is an indication that the carrying amount of the intangible asset may not be recoverable. The Company's intangible assets are measured at the higher of their carrying amount and their fair value less costs to sell.

The following table shows the amortization periods of the Company's intangible assets:

	Amortisation periods (years)
Land use rights	20-50
Manufacturing licenses	40-50
Technology - patents	3-15
Trademark	20
Customer relationships	4-10
Contract rights	3-4
Franchise	10-18

The Company's intangible assets are recognized at cost less accumulated amortization and impairment losses. The Company's intangible assets are amortized over their useful lives. The Company's intangible assets are tested for impairment when there is an indication that the carrying amount of the intangible asset may not be recoverable. The Company's intangible assets are measured at the higher of their carrying amount and their fair value less costs to sell.

The Company's intangible assets are recognized when they are identifiable and their cost can be reliably measured. The Company's intangible assets are recognized at cost less accumulated amortization and impairment losses. The Company's intangible assets are amortized over their useful lives. The Company's intangible assets are tested for impairment when there is an indication that the carrying amount of the intangible asset may not be recoverable. The Company's intangible assets are measured at the higher of their carrying amount and their fair value less costs to sell.

The Company's intangible assets are recognized when they are identifiable and their cost can be reliably measured. The Company's intangible assets are recognized at cost less accumulated amortization and impairment losses. The Company's intangible assets are amortized over their useful lives. The Company's intangible assets are tested for impairment when there is an indication that the carrying amount of the intangible asset may not be recoverable. The Company's intangible assets are measured at the higher of their carrying amount and their fair value less costs to sell.

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

17. Intangible assets (Continued)

The identifiable intangible assets added in the current period are mainly the patents and trademarks acquired through purchase. The patents and trademarks are recorded at cost and amortized on a straight-line basis over their useful lives.

The identifiable intangible assets added in the current period are mainly the patents and trademarks acquired through purchase. The patents and trademarks are recorded at cost and amortized on a straight-line basis over their useful lives.

Intangible assets are recorded at cost and amortized on a straight-line basis over their useful lives.

Intangible assets are recorded at cost and amortized on a straight-line basis over their useful lives.

Intangible assets are recorded at cost and amortized on a straight-line basis over their useful lives.

Intangible assets are recorded at cost and amortized on a straight-line basis over their useful lives.

Intangible assets are recorded at cost and amortized on a straight-line basis over their useful lives.

Other intangible assets added in the current period are mainly the patents and trademarks acquired through purchase. The patents and trademarks are recorded at cost and amortized on a straight-line basis over their useful lives.

18. Goodwill

Goodwill is the excess of the purchase price over the fair value of the identifiable intangible assets acquired in a business combination. Goodwill is recorded at cost and is not amortized.

Goodwill is the excess of the purchase price over the fair value of the identifiable intangible assets acquired in a business combination. Goodwill is recorded at cost and is not amortized.

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

19. Long-term prepaid expenses

Long-term prepaid expenses are recognized as long-term assets and amortized on a straight-line basis.

The following table shows the amortization periods:

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

20. Impairment of long-term assets

For each reporting period, management assesses whether there is any indication that long-term assets may be impaired. If such indication exists, management estimates the recoverable amount of the asset. The recoverable amount is the maximum of the asset's fair value less costs of disposal and its value in use. If the carrying amount of the asset exceeds its recoverable amount, the carrying amount is reduced to its recoverable amount. The impairment loss is recognized in the profit or loss account. The impairment loss is reversed in the profit or loss account if the asset's value has increased and it is objective evidence that the impairment loss has been reversed. The maximum amount of the reversal is limited to the carrying amount of the asset if the asset were not impaired.

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

21. Provisions and contingent liabilities

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

All provisions are measured at the best estimate of the amount required to settle the obligation at the reporting date. Provisions are reviewed at each reporting date and adjusted to reflect changes in circumstances. Provisions are not recognized for contingent liabilities.

The carrying amount of provisions is measured at the best estimate of the amount required to settle the obligation at the reporting date.

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are not recognized in the financial statements. Contingent liabilities are those obligations or potential liabilities that arise from past events, the existence of which is not confirmed by the occurrence or non-occurrence of one or more uncertain future events that are wholly or partly beyond the control of the Group.

22. Share-based payments

(1) Classification

Share-based payments are classified as equity-settled share-based payments if the Group receives services from employees as consideration for equity instruments of the Group.

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

The fair value of equity instruments is determined using the Black-Scholes model. The model uses the following assumptions: (1) the expected volatility of the equity instruments; (2) the expected dividend yield; (3) the risk-free rate; (4) the expected term of the equity instruments; (5) the expected time to maturity; (6) the expected time to exercise.

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

The best estimate of the number of equity instruments expected to vest is determined based on the number of equity instruments granted to employees, adjusted for the expected forfeiture of equity instruments. The best estimate of the number of equity instruments expected to vest is determined based on the number of equity instruments granted to employees, adjusted for the expected forfeiture of equity instruments.

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

22. Share-based payments (Continued)

(4) Accounting treatment for share-based payment

(a) Equity-settled share-based payments

When the Group issues shares to employees as consideration for services rendered, the cost of the shares issued is measured at the fair value of the shares at the date of issue. If the shares issued are subject to vesting conditions, the cost of the shares issued is measured at the fair value of the shares at the date of issue, less the amount of the cash received for the shares issued. The cost of the shares issued is measured at the fair value of the shares at the date of issue, less the amount of the cash received for the shares issued. The cost of the shares issued is measured at the fair value of the shares at the date of issue, less the amount of the cash received for the shares issued. The cost of the shares issued is measured at the fair value of the shares at the date of issue, less the amount of the cash received for the shares issued.

(b) Cash-settled share-based payments

When the Group issues cash to employees as consideration for services rendered, the cost of the cash issued is measured at the fair value of the cash at the date of issue. If the cash issued is subject to vesting conditions, the cost of the cash issued is measured at the fair value of the cash at the date of issue, less the amount of the cash received for the cash issued. The cost of the cash issued is measured at the fair value of the cash at the date of issue, less the amount of the cash received for the cash issued. The cost of the cash issued is measured at the fair value of the cash at the date of issue, less the amount of the cash received for the cash issued.

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

23. Revenue recognition

Revenue is recognized when the following conditions are met: (1) the company has transferred the control of the goods to the customer; (2) the company has no continuing involvement in the goods; (3) the amount of revenue can be reliably measured; (4) the economic benefits of the transaction will flow to the company; and (5) the costs incurred or to be incurred in the transaction can be reliably measured.

(1) Sale of goods

Revenue is recognized when the following conditions are met: (1) the company has transferred the control of the goods to the customer; (2) the company has no continuing involvement in the goods; (3) the amount of revenue can be reliably measured; (4) the economic benefits of the transaction will flow to the company; and (5) the costs incurred or to be incurred in the transaction can be reliably measured.

- (a) The goods have been delivered to the customer and the company has no continuing involvement in the goods.
- (b) The company has transferred the control of the goods to the customer and the amount of revenue can be reliably measured.

Revenue is recognized when the following conditions are met: (1) the company has transferred the control of the goods to the customer; (2) the company has no continuing involvement in the goods; (3) the amount of revenue can be reliably measured; (4) the economic benefits of the transaction will flow to the company; and (5) the costs incurred or to be incurred in the transaction can be reliably measured.

a. Containers and airport facilities sales revenue

The company recognizes revenue when the control of the goods is transferred to the customer.

b. Road transportation vehicles and heavy truck sales revenue

Sales revenue is recognized when the control of the goods is transferred to the customer. The company recognizes revenue when the control of the goods is transferred to the customer and the amount of revenue can be reliably measured.

c. Real estate sales revenue

The company recognizes revenue when the control of the goods is transferred to the customer. The company recognizes revenue when the control of the goods is transferred to the customer and the amount of revenue can be reliably measured.

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

23. Revenue recognition (Continued)

(2) Revenue from construction contracts

When the contract is completed, the contract revenue is recognized. The contract revenue is recognized when the contract is completed. The contract revenue is recognized when the contract is completed.

The contract revenue is recognized when the contract is completed. The contract revenue is recognized when the contract is completed.

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

23. Revenue recognition (Continued)

(3) Rendering of services (Continued)

When the contract is completed, the amount of revenue is recognized based on the contract price. For the contract price, the amount of revenue is recognized based on the contract price. For the contract price, the amount of revenue is recognized based on the contract price.

For the contract price, the amount of revenue is recognized based on the contract price. For the contract price, the amount of revenue is recognized based on the contract price.

24. Employee benefits

Employee benefits are provided in accordance with the relevant laws and regulations. Employee benefits are provided in accordance with the relevant laws and regulations.

(1) short-term wages

Short-term wages are provided in accordance with the relevant laws and regulations. Short-term wages are provided in accordance with the relevant laws and regulations.

(2) pension benefits

Pension benefits are provided in accordance with the relevant laws and regulations. Pension benefits are provided in accordance with the relevant laws and regulations.

Benefit plan

The Group has established a pension benefit plan in accordance with the relevant laws and regulations. The Group has established a pension benefit plan in accordance with the relevant laws and regulations.

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

24. Employee benefits (Continued)

(3) Enterprise annuities plan

The Group has established a defined contribution enterprise annuity plan for its employees in China. The plan is a defined contribution plan. The Group's obligation is limited to the amount of contributions made to the plan. The Group has no further obligation for the plan's future payments. The Group's contributions to the plan are recorded as an expense in the profit and loss account. The Group's contributions to the plan are recorded as an expense in the profit and loss account.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (C

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

27. Operation and finance leases

Assets and liabilities arising from operating leases are recognized in the balance sheet as lease receivables and lease payables, respectively. Assets and liabilities arising from finance leases are recognized in the balance sheet as lease receivables and lease payables, respectively.

(1) Assets acquired under operating leases

Assets acquired under operating leases are recognized in the balance sheet as lease receivables.

(2) Assets leased out under operating leases

Assets leased out under operating leases are recognized in the balance sheet as lease receivables. Assets leased out under finance leases are recognized in the balance sheet as lease receivables. Assets leased out under operating leases are recognized in the balance sheet as lease receivables.

(3) Assets acquired under finance leases

Assets acquired under finance leases are recognized in the balance sheet as lease receivables. Assets acquired under finance leases are recognized in the balance sheet as lease receivables.

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

27. Operation and finance leases (Continued)

(4) Assets leased out under finance leases

Assets leased out under finance leases are recognized at the fair value of the leased asset at the inception of the lease agreement, less any initial direct costs. Income is recognized over the lease term on a straight-line basis. At the end of the lease term, the leased asset is derecognized and any gain or loss is recognized in profit or loss.

At the end of the lease term, the leased asset is derecognized and any gain or loss is recognized in profit or loss. The leased asset is derecognized and any gain or loss is recognized in profit or loss. The leased asset is derecognized and any gain or loss is recognized in profit or loss.

28. Held for sale and discontinued operations

Assets held for sale are measured at the lower of carrying amount and fair value less costs to sell. Assets held for sale are not depreciated or amortized.

Discontinued operations are reported as a separate section in the income statement and cash flow statement. Discontinued operations are reported as a separate section in the income statement and cash flow statement.

Discontinued operations are reported as a separate section in the income statement and cash flow statement. Discontinued operations are reported as a separate section in the income statement and cash flow statement.

Discontinued operations are reported as a separate section in the income statement and cash flow statement. Discontinued operations are reported as a separate section in the income statement and cash flow statement.

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

29. Hedge accounting

Hedge accounting is applied to recognize the effectiveness of hedging transactions. The effectiveness of hedging transactions is measured by the change in the fair value of the hedged item and the hedging instrument.

Hedged items are those assets or liabilities, firm commitments or net investments in foreign operations that are exposed to changes in fair value or cash flows that are attributable to a particular risk arising from fluctuations in interest rates, foreign exchange rates or commodity prices.

A hedging transaction is a derivative financial instrument that is entered into for the purpose of reducing the risk of changes in fair value or cash flows of a recognized asset or liability or an unrecognized firm commitment or a net investment in a foreign operation.

The hedge is a derivative financial instrument that is entered into for the purpose of reducing the risk of changes in fair value or cash flows of a recognized asset or liability or an unrecognized firm commitment or a net investment in a foreign operation. The hedge is a derivative financial instrument that is entered into for the purpose of reducing the risk of changes in fair value or cash flows of a recognized asset or liability or an unrecognized firm commitment or a net investment in a foreign operation.

When the hedge is a derivative financial instrument that is entered into for the purpose of reducing the risk of changes in fair value or cash flows of a recognized asset or liability or an unrecognized firm commitment or a net investment in a foreign operation, the hedge is a derivative financial instrument that is entered into for the purpose of reducing the risk of changes in fair value or cash flows of a recognized asset or liability or an unrecognized firm commitment or a net investment in a foreign operation.

Effective hedge accounting is applied for 80% to 125%.

Cash flow hedges

Cash flow hedges are those derivatives that are used to hedge the exposure to variability in cash flows that is attributable to a particular risk arising from fluctuations in interest rates, foreign exchange rates or commodity prices.

The hedge is a derivative financial instrument that is entered into for the purpose of reducing the risk of changes in fair value or cash flows of a recognized asset or liability or an unrecognized firm commitment or a net investment in a foreign operation.

The hedge is a derivative financial instrument that is entered into for the purpose of reducing the risk of changes in fair value or cash flows of a recognized asset or liability or an unrecognized firm commitment or a net investment in a foreign operation.

The hedge is a derivative financial instrument that is entered into for the purpose of reducing the risk of changes in fair value or cash flows of a recognized asset or liability or an unrecognized firm commitment or a net investment in a foreign operation.

If a hedge is a derivative financial instrument that is entered into for the purpose of reducing the risk of changes in fair value or cash flows of a recognized asset or liability or an unrecognized firm commitment or a net investment in a foreign operation, the hedge is a derivative financial instrument that is entered into for the purpose of reducing the risk of changes in fair value or cash flows of a recognized asset or liability or an unrecognized firm commitment or a net investment in a foreign operation.

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

29. Hedge accounting (Continued)

If a hedge is not effective, the change in the fair value of the hedged item attributable to the hedged risk shall be recognized in profit or loss. If a hedge is not effective, the change in the fair value of the hedged item attributable to the hedged risk shall be recognized in profit or loss. If a hedge is not effective, the change in the fair value of the hedged item attributable to the hedged risk shall be recognized in profit or loss.

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

31. Related parties (Continued)

- (d) ...
- (e) ...
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- (s) ...

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

32. Segment reporting

Reportable segments are defined based on the way the company manages and reports its performance internally. A segment is an identifiable component of the company that is subject to separate financial analysis for which discrete financial information is available and is regularly reviewed by the company's management.

The company has the following reportable segments:

1. Container manufacturing segment: This segment is responsible for the production and sale of containers.

2. Container leasing segment: This segment is responsible for the leasing of containers.

The company's reportable segments are aggregated as follows:

- 1. Container manufacturing segment;
- 2. Container leasing segment;
- 3. Container repair segment;
- 4. Container recycling segment;
- 5. Container leasing and repair segment.

The company's reportable segments are aggregated as follows:

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

33. Significant changes in accounting policies

In 2017, the Company has revised its Accounting Standards for Business Enterprises No. 42 - Non-current Assets Held for Sale and Disposal of Non-current Assets in accordance with the Accounting Standards for Business Enterprises No. 16 - Government Grants issued by the Financial Accounting Standards Board of the People's Republic of China (Cai Fa [2017] 30). The 2017 financial statements are prepared accordingly based on the above accounting standards.

The nature and the reasons of the changes in accounting policies	The line items affected	The amounts affected
The Company has revised its Accounting Standards for Business Enterprises No. 42 - Non-current Assets Held for Sale and Disposal of Non-current Assets in accordance with the Accounting Standards for Business Enterprises No. 16 - Government Grants issued by the Financial Accounting Standards Board of the People's Republic of China (Cai Fa [2017] 30). The 2017 financial statements are prepared accordingly based on the above accounting standards.	Non-current assets	Non-current assets
The Company has revised its Accounting Standards for Business Enterprises No. 42 - Non-current Assets Held for Sale and Disposal of Non-current Assets in accordance with the Accounting Standards for Business Enterprises No. 16 - Government Grants issued by the Financial Accounting Standards Board of the People's Republic of China (Cai Fa [2017] 30). The 2017 financial statements are prepared accordingly based on the above accounting standards.	Non-current assets	Non-current assets
The Company has revised its Accounting Standards for Business Enterprises No. 42 - Non-current Assets Held for Sale and Disposal of Non-current Assets in accordance with the Accounting Standards for Business Enterprises No. 16 - Government Grants issued by the Financial Accounting Standards Board of the People's Republic of China (Cai Fa [2017] 30). The 2017 financial statements are prepared accordingly based on the above accounting standards.	Government grants receivable	2016
The Company has revised its Accounting Standards for Business Enterprises No. 42 - Non-current Assets Held for Sale and Disposal of Non-current Assets in accordance with the Accounting Standards for Business Enterprises No. 16 - Government Grants issued by the Financial Accounting Standards Board of the People's Republic of China (Cai Fa [2017] 30). The 2017 financial statements are prepared accordingly based on the above accounting standards.	Government grants receivable	402,346
The Company has revised its Accounting Standards for Business Enterprises No. 42 - Non-current Assets Held for Sale and Disposal of Non-current Assets in accordance with the Accounting Standards for Business Enterprises No. 16 - Government Grants issued by the Financial Accounting Standards Board of the People's Republic of China (Cai Fa [2017] 30). The 2017 financial statements are prepared accordingly based on the above accounting standards.	Government grants receivable	(451,565)
The Company has revised its Accounting Standards for Business Enterprises No. 42 - Non-current Assets Held for Sale and Disposal of Non-current Assets in accordance with the Accounting Standards for Business Enterprises No. 16 - Government Grants issued by the Financial Accounting Standards Board of the People's Republic of China (Cai Fa [2017] 30). The 2017 financial statements are prepared accordingly based on the above accounting standards.	Government grants receivable	49,219
The Company has revised its Accounting Standards for Business Enterprises No. 42 - Non-current Assets Held for Sale and Disposal of Non-current Assets in accordance with the Accounting Standards for Business Enterprises No. 16 - Government Grants issued by the Financial Accounting Standards Board of the People's Republic of China (Cai Fa [2017] 30). The 2017 financial statements are prepared accordingly based on the above accounting standards.	Government grants receivable	116
The Company has revised its Accounting Standards for Business Enterprises No. 42 - Non-current Assets Held for Sale and Disposal of Non-current Assets in accordance with the Accounting Standards for Business Enterprises No. 16 - Government Grants issued by the Financial Accounting Standards Board of the People's Republic of China (Cai Fa [2017] 30). The 2017 financial statements are prepared accordingly based on the above accounting standards.	Government grants receivable	(116)

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

34. Critical accounting estimates and judgements

The carrying amount of financial assets and liabilities is determined on the basis of the fair value. The fair value is determined based on the market price of the financial assets and liabilities. The fair value of financial assets and liabilities is determined based on the market price of the financial assets and liabilities. The fair value of financial assets and liabilities is determined based on the market price of the financial assets and liabilities.

Under IAS 19, IAS 38 and IAS 40, the fair value of financial assets and liabilities is determined based on the market price of the financial assets and liabilities. The fair value of financial assets and liabilities is determined based on the market price of the financial assets and liabilities. The fair value of financial assets and liabilities is determined based on the market price of the financial assets and liabilities.

(1) Impairment of receivables

At December 31, 2017, the carrying amount of receivables is determined based on the fair value of the receivables. The fair value of the receivables is determined based on the market price of the receivables. The fair value of the receivables is determined based on the market price of the receivables. The fair value of the receivables is determined based on the market price of the receivables.

(2) Impairment of long-term assets

At December 31, 2017, the carrying amount of long-term assets is determined based on the fair value of the long-term assets. The fair value of the long-term assets is determined based on the market price of the long-term assets. The fair value of the long-term assets is determined based on the market price of the long-term assets. The fair value of the long-term assets is determined based on the market price of the long-term assets.

The carrying amount of long-term assets is determined based on the fair value of the long-term assets. The fair value of the long-term assets is determined based on the market price of the long-term assets. The fair value of the long-term assets is determined based on the market price of the long-term assets. The fair value of the long-term assets is determined based on the market price of the long-term assets.

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

34. Critical accounting estimates and judgements (Continued)

(2) Impairment of long-term assets (Continued)

If the carrying amount of an asset or cash generating unit exceeds its recoverable amount, the carrying amount is reduced to its recoverable amount. The recoverable amount is the maximum of the asset's or cash generating unit's fair value less costs of disposal and its value in use.

If the carrying amount of an asset or cash generating unit is less than its recoverable amount, the carrying amount is increased to its recoverable amount. The recoverable amount is the maximum of the asset's or cash generating unit's fair value less costs of disposal and its value in use.

(3) Provision for diminution in value of inventories

At December 31, 2017, the carrying amount of inventories was RMB1,111,111,111. The carrying amount of inventories is reduced to the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs of disposal. The carrying amount of inventories is reduced to the lower of cost and net realizable value. The carrying amount of inventories is reduced to the lower of cost and net realizable value.

(4)

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

34. Critical accounting estimates and judgements (Continued)

(6) Construction contract

The Group's construction contracts are primarily fixed-price contracts. The Group recognizes revenue from construction contracts as the work progresses. The Group's construction contracts are primarily fixed-price contracts. The Group recognizes revenue from construction contracts as the work progresses. The Group's construction contracts are primarily fixed-price contracts. The Group recognizes revenue from construction contracts as the work progresses.

(7) Income taxes

The Group is subject to income taxes in the jurisdictions in which it operates. The Group's income tax expense is based on the tax laws and regulations in the jurisdictions in which it operates. The Group's income tax expense is based on the tax laws and regulations in the jurisdictions in which it operates.

The Group's income tax expense is based on the tax laws and regulations in the jurisdictions in which it operates. The Group's income tax expense is based on the tax laws and regulations in the jurisdictions in which it operates. The Group's income tax expense is based on the tax laws and regulations in the jurisdictions in which it operates.

(8) Estimation of fair value of investment properties

The Group's investment properties are measured at fair value. The Group's investment properties are measured at fair value. The Group's investment properties are measured at fair value. The Group's investment properties are measured at fair value.

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III. TAXATION

1. Main taxes categories and rates

Types of tax	Tax basis	Tax rate
Value added tax (VAT)(a)	The VAT taxable amount is calculated based on the net sales of goods and services provided to customers, excluding VAT input tax credits.	17%

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III. TAXATION (CONTINUED)

2. Preferential tax treatments

T e G, ' b da e a a e e ed ,efe, e a a ,ea e a e a f :

	Name of subsidiaries	Local statutory tax rate	Preferential rate	Reasons
1	Na g CIMCS eca Ta , a e Ma fact, e C ., L d.	25%	15%	C e be, ec g ed a g - ec e e, e 2015 e ed 15% ,efe, e a, a e
2	X CIMCS eca Ta , a e C ., L d.	25%	15%	C e be, ec g ed a g - ec e e, e 2016 e ed 15% ,efe, e a, a e
3	Ya g a g l g c Ya g C L d 67 Td[(T)111(Z) a 7 T e e, e 2017 e ed 15% ,efe, e a, a e	25%	15%	C e be, ec g ed a g - ec e e, C e 15% 2017 e e ed, 15% ,efe, e a, a e
4	Ya g Te TdJ0.945-1.16 0 Td[(C e e, e 2017 e ed 15% ,efe, e a, a e 25%			e 5d(e TdTN.9ee)-%)TRe0.94a .299 0 Td(15%)T 3.078 0 Td[(C e be,)18.1

g ed a g - ec
7 e ed 15%
%

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III. TAXATION (CONTINUED)

2. Preferential tax treatments (Continued)

	Name of enterprises	Local statutory tax rate	Preferential rate	Reasons
12	Erhai (Lafang) Energy Equipment Manufacturing Co., Ltd.	25%	15%	Company established in 2015 in Hainan Province
13	Jinghe Hengsheng Aqaf Manufacturing Co., Ltd.	25%	15%	Company established in 2015 in Hainan Province
14	Jinghe Hengsheng Aqaf Manufacturing Co., Ltd.	25%	15%	Company established in 2015 in Hainan Province
15	Lagong CIMC Hafeng Gas Refining Co., Ltd.	25%	15%	Company established in 2015 in Hainan Province
16	Nagong CIMC Energy Equipment Co., Ltd.	25%	15%	Company established in 2017 in Hainan Province
17	Erhai (Nagong) CIMC Food Equipment Co., Ltd.	25%	15%	Company established in 2016 in Hainan Province
18	Seneng CIMC Taida Aqaf Manufacturing Co., Ltd.	25%	15%	Company established in 2017 in Hainan Province
19	Xifa Aqaf Manufacturing Co., Ltd.	25%	15%	Company established in 2015 in Hainan Province
20	Seneng CIMC Taida Logistics Service Equipment Co., Ltd.	25%	15%	Company established in 2016 in Hainan Province
21	Seneng CIMC Intelligent Technology Co., Ltd.	25%	15%	Company established in 2017 in Hainan Province
22	Hagong CIMC Babcock Energy Equipment Co., Ltd.	25%	15%	Company established in 2017 in Hainan Province

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RMB'000 e e e a ed)
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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Pea e, efe N e VI.1 a d IV.13 f, e def f b da, e, a ca e a d u e, e .

1. Cash at bank and on hand

	31 December 2017	31 Dece be, 2016
Ca a d	4,406	157,493
Ba de	4,863,666	5,711,162
O e, ca ba a ce	728,242	457,343
T a	5,596,314	6,325,998
I d g: ca ab, ad	3,149,051	1,938,284

A a 31 Dece be, 2017, e, e ed ca a ba a d a d f e G, a ed 1,353,836,000 (31 Dece be, 2016: 987,257,000), e, efe N e IV.24 f, de a .

A a 31 Dece be, 2017, e, e ed ca a ba a d a d f e G, e ed ab, e d ed de f Fa ce C a e Pe e' Ba f C a, a g 484,672,000 (31 Dece be, 2016: 504,795,000). F a ce C a a fa ce a ed b e Pe e' Ba f C a.

2. Financial assets at fair value through profit or loss

(1) Classification

	N e	31 December 2017	31 Dece be, 2016
Current Portion			
1. u e e e e ed f, ad g L edc a e	(3)	183,303	138,072
2. De, a, ef a ca a e F, ad f, e g e c a g e c, ac	(4)	8,078	1,782
F, e g e c a g e c, ac	(5)	2,135	
l e e, a e a	(6)	4	
3. Hedg gl e		1,360	1,306
T a		194,880	

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

(2) As at 31 December 2017 and 31 December 2016, the company has the following financial assets at fair value through profit or loss:

(3) The company has entered into derivative contracts with the purpose of hedging the exchange rate risk of the company's foreign currency-denominated sales and purchases. The company has entered into forward foreign exchange contracts with the purpose of hedging the exchange rate risk of the company's foreign currency-denominated sales and purchases.

(4) Forward foreign exchange contracts

As at 31 December 2017, the company has entered into forward foreign exchange contracts with the purpose of hedging the exchange rate risk of the company's foreign currency-denominated sales and purchases. The company has entered into forward foreign exchange contracts with the purpose of hedging the exchange rate risk of the company's foreign currency-denominated sales and purchases. The company has entered into forward foreign exchange contracts with the purpose of hedging the exchange rate risk of the company's foreign currency-denominated sales and purchases.

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RMB'000 e e e a ed)
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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Notes receivable

(1) Classification of Notes receivable

	31 December 2017	31 Dece be, 2016
Basice a ce e	1,241,308	1,374,487
Trade a ce e	135,556	161,704
Le : P, L f, bad deb ()	-	
T a	1,376,864	1,536,191

(i) A a Dece be, 31, 2017 a d Dece be, 31, 2016, e G d d c de e e, eca, abe be a, ed a d f, bad deb a, ec, ed.

N a d e f, a e de d 5% (d d g 5%) f, e f e, g, g f e C a d ed e ab, e ba a ce fb, eca, abe.

A f e ab, e b, eca, abe a, e d e e ea.

(2) As at 31 December 2017, pledged notes receivable of the group are as follows:

	31 December 2017
Basice a ce e	72,475

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 (English text has prevailed in case of discrepancy)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable

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

Category	31 December 2017	31 December 2016
Customer	6,761,566	2,540,433
Radical lease	2,265,036	2,396,644
Equipment and other	3,346,180	3,220,025
Office equipment	699,837	244,655
Assets for sale	1,334,724	1,255,195
Logistics	1,287,373	1,159,172
Head office	772,761	769,250
Others	686,426	569,937
Sub-total	17,153,903	12,155,311
Less: doubtful debts	(757,177)	(629,236)
Total	16,396,726	11,526,075

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

	31 December 2017	31 December 2016
Within 1 year (inclusive)	15,136,840	10,329,997
1-2 years (inclusive)	1,045,390	989,469
2-3 years (inclusive)	796,015	548,922
Over 3 years	175,658	286,923
Sub-total	17,153,903	12,155,311
Less: doubtful debts	(757,177)	(629,236)
Total	16,396,726	11,526,075

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (Continued)

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

	31 December 2017				31 December 2016			
	Book balance		Provision for doubtful debts		Book balance		Provision for doubtful debts	
	Amount	% of total balance	Amount	Ratio (%)	Amount	% of total balance	Amount	Ratio (%)
Accounts receivable due from related parties (4)	6,949,240	40.51%	348,984	5.02%	2,987,769	24.58%	142,565	4.77%
Accounts receivable due from unrelated parties (5)	2,688,879	15.68%	121,257	4.51%	599,213	4.93%	63,181	10.54%
Prepaid freight and other receivables*								
Guarantee - cargo	2,857,910	16.66%	21,281	0.74%	1,733,265	14.26%	14,762	0.85%
Guarantee - Radial, radial etc	1,010,433	5.89%	85,529	8.46%	1,315,102	10.82%	100,810	7.67%
Guarantee - equipment and other	1,461,753	8.52%	57,610	3.94%	2,911,678	23.95%	201,187	6.91%
Guarantee - other	628,918	3.67%	49,255	7.83%	944,708	7.77%	54,025	5.72%
Guarantee - other	1,001,137	5.84%	36,742	3.67%	1,002,835	8.25%	34,573	3.45%
Guarantee - other	375,382	2.19%	24,352	6.49%	303,664	2.50%	6,020	1.98%
Guarantee - other	180,251	1.04%	12,167	6.75%	357,077	2.94%	12,113	3.39%
Guarantee - other	(6) 7,515,784	43.81%	286,936	3.82%	8,568,329	70.49%	423,490	4.94%
Total	17,153,903	100.00%	757,177	4.41%	12,155,311	100.00%	629,236	5.18%

Note: The category of doubtful accounts receivable is as follows:

As at 31 December 2017, the Group had doubtful accounts receivable as follows:

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (Continued)

- (4) As at 31 December 2017, accounts receivable with amounts that are individually significant and that the related provision for doubtful debts is set aside on the individual basis:

Category	Book balance	Provision for doubtful debt	Ratio (%)	Reason
Customer	2,996,383	87,420	2.92%	Partly due to bad debt
Trade receivable	931,393	51,023	5.48%	Partly due to bad debt
Other receivable & other debt	1,005,159	139,150	13.84%	Partly due to bad debt
Officer's receivable	398,363	60	0.01%	
Accounts receivable	691,753	31,278	4.52%	
Long-term receivable	145,769	871	0.60%	
Head office	397,379	38,603	9.71%	
Other	383,041	579	0.15%	
Total	6,949,240	348,984	5.02%	

- (5) As at 31 December 2017, accounts receivable with amounts that are not individually significant but that the related provision for doubtful debts is set aside on the individual basis:

Category	Book balance	Provision for doubtful debt	Ratio (%)	Reason
Customer	907,273	6,913	0.76%	Partly due to bad debt
Trade receivable	323,210	42,038	13.01%	Partly due to bad debt
Other receivable & other debt	879,268	65,354	7.43%	Partly due to bad debt
Officer's receivable	301,464	2,207	0.73%	
Long-term receivable	140,467	4,081	2.91%	
Accounts receivable	14,053	304	2.16%	
Other	123,144	360	0.29%	
Total	2,688,879	121,257	4.51%	

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (Continued)

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

	31 December 2017			31 December 2016		
	Book balance	Provision for doubtful debt		Book balance	Provision for doubtful debt	
	Amount	Amount	Ratio (%)	Amount	Amount	Ratio (%)
Within 1 year	7,004,393	74,436	1.06%	7,386,617	77,585	1.05%
1-2 years	216,514	24,193	11.17%	604,679	59,829	9.89%
2-3 years	181,915	87,559	48.13%	368,380	151,792	41.21%
Over 3 years	112,962	100,748	89.19%	208,653	134,284	64.36%
Total	7,515,784	286,936	3.82%	8,568,329	423,490	4.94%

The aging calculation is based on the actual receivable aging period.

(7) Reversal or recovery of provision for the year

The reversal of provision for doubtful debts was 229,452,000 (2016: 204,596,000), and the provision for doubtful debts was 89,260,000 (2016: 29,642,000) respectively.

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

The amount of accounts receivable written off was 465,000 (2016: 10,774,000).

(9) As at 31 December 2017, the five largest balances of accounts receivable are analysed as follows, accumulated by arrearage parties:

	Book balance	Provision for doubtful debt	% of total accounts receivable
Total arrearage accounts receivable	3,869,278	81	22.56%

As at 31 December 2016, the five largest balances of accounts receivable were 1,132,622,000, accumulated 9.32% of the total accounts receivable.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (Continued)

(10) Accounts receivable from related parties:

As at 31 December 2017, the Group's accounts receivable from related parties amounted to RMB541,748,000 (31 December 2016: RMB254,396,000), accounting for 3.16% of the total accounts receivable (31 December 2016: 2.09%).

Counterparty	Relationship	31 December 2017			31 December 2016	
		Amount	% of total balance	Provision for doubtful debts	Amount	% of total balance
Free Container Lease (SPV) Limited (FCI)	Subsidiary	130,145	0.76%	-	-	-
Free Container Service Company Limited (FCS)	Subsidiary	99,973	0.58%	-	-	-
Shanghai A-bei Marine Container (SHDA) Co., Ltd.	Major shareholder	72,974	0.43%	-	27,987	0.23%
Ningbo Container Terminal (Ningbo Container Terminal) Co., Ltd.	Associate	60,750	0.35%	-	78,389	0.64%
SUMITOMO CORPORATION (SUMITOMO)	Major shareholder	49,292	0.29%	-	56,538	0.46%
Free Container Company S.A. (FCC)	Subsidiary	40,100	0.23%	-	1,543	0.01%
Dongfang International Container (Dongfang International) Co., Ltd.	Subsidiary	24,129	0.14%	-	27,650	0.23%
Zhejiang Xingbaobao International Container Co., Ltd. (Zhejiang Xingbaobao)	Associate	21,874	0.13%	-	-	-
Dongfang International Container (Dongfang International) Co., Ltd. (Dongfang International)	Subsidiary	12,417	0.07%	-	-	-
Gaofeng International S.A. (Gaofeng)	Major shareholder	9,819	0.06%	-	8,183	0.07%
NYKZ Line (Taichang) Co., Ltd. (NYKZ Line)	Joint venture	2,914	0.02%	-	5,795	0.05%
Shanghai Zhenye International Container Co., Ltd. (Zhenye)	Associate	-	-	-	27,400	0.23%
Free Marine Limited (FML)	Subsidiary	-	-	-	7,311	0.06%
Others		17,361	0.10%	-	13,600	0.11%
Total		541,748	3.16%	-	254,396	2.09%

3.16%

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (Continued)

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

As at 31 December 2017, accounts receivable derecognised due to the transfer of financial assets amounted to RMB204,979,000 (as at 31 December 2016: RMB144,000).

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

The amount of assets and liabilities recognised due to the continuing involvement of securitised accounts receivable as at 31 December 2017 and 31 December 2016.

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

5. Other receivables

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

	31 December 2017	31 December 2016
Accounts receivable transferred to special purpose vehicles	395,750	873,585
Accounts receivable transferred to special purpose vehicles	4,312,910	4,020,057
Accounts receivable transferred to special purpose vehicles	(178,634)	1,658,985
Accounts receivable transferred to special purpose vehicles	(363,518)	1,011,616
Accounts receivable transferred to special purpose vehicles	(1,200,379)	999,926
Securitised accounts receivable	974,064	663,995
Accounts receivable transferred to special purpose vehicles	(74,212)	572,258
Accounts receivable transferred to special purpose vehicles	210,685	167,099
Others	946,127	960,805
Subtotal	8,656,279	10,928,326
Less: Accounts receivable transferred to special purpose vehicles	(396,543)	(1,580,439)
Total	8,259,736	9,347,887

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Other receivables (Continued)

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

(i) Amounts due from related parties, including SOEG PTE LTD (SOEG), Jiang Pacific Shipping Group Co., Ltd. (Jiang Pacific) and Ege Group Co., Ltd. (Ege Group) (collectively, "related parties") are as follows: SOEG is a wholly-owned subsidiary of SOE. Jiang Pacific and Ege Group are also wholly-owned subsidiaries of SOE. Amounts due from related parties are as follows: SOE is the main creditor of Jiang Pacific and Ege Group.

As at 31 December 2016, the amount due from SOEG is RMB178,634,000, which is the amount due from SOEG. As at 31 December 2017, the amount due from SOEG is RMB1,184,281,000, which is the amount due from SOEG.

As at 31 December 2016, the amount due from SOE is RMB190,521,000. The amount due from SOE is RMB105,549,000 as at 31 December 2017.

SOE is the main creditor of Jiang Pacific and Ege Group. As at 31 December 2017, the amount due from SOE is RMB799,800,000. The amount due from SOE is RMB799,800,000 as at 31 December 2017.

(ii) The amount due from Jiang Pacific is RMB136,742,000, which is the amount due from Jiang Pacific. The amount due from Jiang Pacific is RMB71,876,000 as at 31 December 2018.

(iii) The amount due from SOE is RMB1,184,281,000, which is the amount due from SOE.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Other receivables (Continued)

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

(iv) In December, the Group received from Da Laige-Scare Re de a C Ba a D c, S a g a, S a g a Reefe C a e C .Ld, e f e - - ed b d a f e G , decided de e a d, g, fac e a d a a e e c ca ed 6888 H a R ad, Ba a D c, S a g a (La d a e a f 290.55 a e). A a 20 Dece be, 2016, a c , ac a ed T e de c e a a g e e f e g de f a g e, e de a c Da Ba e (e e a f e, e f e, ed a c e a a g e e) a g ed be e e SCRC a d e La d Re e Ce e f Ba a d c, S a g a (e e a f e, e f e, ed a Ba a D c La d Re e Ce e) a d e c e a a a g e e d a 572,258,000. P e Ce f ca e a d e, e e a e ce f ca e c a e, ed d, g e de a e be e g ed a d b ed e da e f e c , ac e, e e a de a e f Ba a D c La d Re e Ce e f, e g g e f a ca e a da , a da a d a d , e, g ca ce a , ced, e. Be de, e b a l e b g a a g e e d a e be e c e ed 2016. A f Dece be, 31, 2017, e a f RMB28,612,000 ad be e , e c , e ed.

On 1, 2017, Ta B a H g - e c l d , a D e e e Z e La d Re e Ce e a d e - ed b d a f e G , CIMC Be a g, g ed e Ta La d C da Re e P e c C e a C , ac. CIMC Be a g e e d b de . T e Re a E a e O e Ce f ca e , e, e e a e ce f ca e f e de ed e a a d ed e Ta B a H - T e c l d , a D e e e Z e La d Re e Ce e e da e f g g f e c , ac a d b ed e, e e a de a e f, f a ca e a da , a da a d a d , a g e, a d , e, g ca ce a , ced, e. T e b a l e b g a a e d e c e a a g e e e a e a be e c e ed 2017. A f Dece be, 31, 2017, e a f RMB45,600,000 ad be e , e c , e ed.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Other receivables (Continued)

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

	31 December 2017	31 December 2016
Within 1 year (including 1 year)	4,265,567	9,667,565
1-2 years (including 1 year)	4,018,531	999,143
2-3 years (including 1 year)	245,522	95,819
Over 3 years	126,659	165,799
Sub-total	8,656,279	10,928,326
Less: doubtful debt	(396,543)	(1,580,439)
Total	8,259,736	9,347,887

The aging category is determined based on the period of time that the receivables have been due.

As at 31 December 2017 and 31 December 2016, the Group has no other receivables that are due for more than 3 years.

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

Nature	31 December 2017				31 December 2016			
	Book balance		Provision for doubtful debt		Book balance		Provision for doubtful debt	
	Amount	% of total balance	Amount	Ratio (%)	Amount	% of total balance	Amount	Ratio (%)
Other receivables arising from the disposal of assets	6,939,712	80.17%	323,538	4.66%	9,379,126	78.75%	270,916	2.91%

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Other receivables (Continued)

(4) As at 31 December 2017, other receivables with amounts that are individually significant:

	Book balance	Provision for doubtful debt	Ratio (%)	Reason
Reca, abe a, g, f, f a c g, ea ed a, e	379,267		0.00%	
Reca, abe f, a e ca a c, ea e/ a, e ca a, a fe	4,305,070		0.00%	
Ad, a ced a e fe, a fe, a d f a ca ga	178,634	178,634	100.00%	N e 1
Rede, e a, ca a f, ae	1,200,379		0.00%	
La	300,807	88,672	29.48%	
Reca, abe f, de c e a	74,212		0.00%	
Ta, e, d, eca, abe	113,568		0.00%	
O e	387,775	56,232	14.50%	
T a	6,939,712	323,538		

N e 1: T e, l f, d b, deb d a a e ed ba ed e, ec, e, ab f d a ba a ce.

(5) Reversal or recovery of provision for the year

T e, l f, d b, deb ea, a ed 147,281,000. A, l f, d b, deb a ed 28,699,000 a bee, ec, e, ed, e, e ed.

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

O e, eca, abe e ff, e ea, a ed 1,295,238,000 (2016: 8,866,000).

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Other receivables (Continued)

(7) As at 31 December 2017, the five largest balances of other receivables are analysed as follows:

Note	Nature	Book balance	Aging	% of total balance	Provision for doubtful debt
Ta La Off ()	Receivable for cargo	3,575,000	1-2 years	41.30%	
E g ee g L ed Pa e (Ta La)	Charge				
Z e a g CIMCE be ()	Receivable for	331,250	1-2 years	3.83%	
Rea E ae C., Ld (E be Rea E ae)	Accounts				
C a g a g Sed e C., Ld.	Bad debt	204,330	1 year	2.36%	
S e e Fe gc a Tec g C., Ld.	Other receivable	126,743	1 year	1.46%	
C a g He H d Ma age e C., Ld.	Bad debt	119,970	1 year	1.39%	
T a		4,357,293		50.34%	

As at 31 December 2016, the amount of other receivables was 7,130,634,000, accounted for 65.25% of the total assets.

(i) As at 23 December 2016, Qianjiang Taishan Yiwu Warehouse Ltd. was established as a wholly-owned subsidiary of the Company. As at 31 December 2017, the amount of other receivables was 3,575,000, accounted for 41.30% of the total other receivables. The amount of other receivables was 4.9853% of the total other receivables as at 31 December 2017. As at 31 December 2019, the amount of other receivables was 487,632,000, accounted for 11.30% of the total other receivables.

(ii) As at 14 October 2016, 80% of the shares of Rea E ae C., Ld. were held by the Company. As at 31 December 2017, the amount of other receivables was 331,250, accounted for 3.83% of the total other receivables.

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(A a F, e ea, e ded 31 Dece be, 2017
RMB'000 e e e a ed)
(E g T, a a f, Refe, e ce O)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Other receivables (Continued)

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

A a 31 Dece be, 2017 a d 31 Dece be, 2016, a d e f, a e de, d g, e a 5% (d g 5%) f e, g, g f e C a d ed e ab, e ba a ce f e, e ca, abe .

- (9) As at 31 December 2017, other receivables from related parties are analysed as follows:

C a a e	Rea eG	31 December 2017				31 Dece be, 2016			
		Amount	Nature	% of total balance	Provision for doubtful debts	A	Nat, e	% f a d b f, e	P, l f, e
E be Rea E ae	A cae	331,250	Funding	3.83%	-	824,391	F d g	7.54%	
Se e C a Me, c a	S b da	70,650	Transfer of equity	0.82%	-	70,650	T, a fe f	0.65%	
Rea E ae H d g C., Ld	f g fca a e de								
S a g a Fe g a g	A cae	34,204	Funding	0.40%	-	34,204	F d g	0.31%	
Rea E ae De e e C., Ld.									
(S a g a Fe g a g)									
Na g X a g	A cae	13,813	Funding	0.16%	-	10,629	F d g	0.10%	
E, e a P, ec Pa e C., Ld. C a (Na g X a g)									
O e, e a ed a e		19,328		0.22%	-	6,270		0.06%	
T a		469,245		5.43%	-	946,144		8.66%	

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Advances to suppliers

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

	31 December 2017	31 December 2016
Raw materials (including goods in transit)	2,382,879	2,313,829
Contract deposits	311	553
Others	46,948	78,567
Subtotal	2,430,138	2,392,949
Less: Long-term debt	(282,417)	(226,967)
Total	2,147,721	2,165,982

(2) Aging analysis of advances to suppliers is as follows:

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Advances to suppliers (Continued)

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

At 31 December 2017 and 31 December 2016, the following table shows the condition of the companies whose shareholders hold 5% (including 5%) or more of the voting shares of the Company in the prepayments at the end of the year.

(5) Advances to suppliers to related parties are analysed as follows:

Company Name	Relationship	31 December 2017		31 December 2016	
		Amount	% of total balance	Amount	% of total balance
Jiangsu Baogang Packaging Co., Ltd. (Jiangsu Baogang)	Associate	8,000	0.33%	-	-
Saaheng Textile	Major shareholder	3,922	0.16%	3,005	0.13%
TSC Group Holdings Limited (TSC)	Associate	41	0.00%	19,274	0.81%
Others		-	-	1,045	0.04%
Total		11,963	0.49%	23,324	0.98%

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Inventories

(1) Inventories are summarised by categories as follows:

	31 December 2017			31 December 2016		
	Book balance	Provision for decline in the value of inventories	Net book value	Book balance	Provision for decline in the value of inventories	Net book value
Raw materials	3,971,003	(193,787)	3,777,216	3,252,604	(163,944)	3,088,660
Work in progress	3,001,600	(11,537)	2,990,063	2,223,924	(27,978)	2,195,946
Finished goods	4,485,352	(108,174)	4,377,178	3,713,285	(125,107)	3,588,178
Construction materials	240,432	(184)	240,248	113,302	(242)	113,060
Supplies	204,266	(7,700)	196,566	213,712	(1,538)	212,174
Leased fixed assets	30,433	(164)	30,269	35,951	(72)	35,879
Materials	38,228	-	38,228	22,887	-	22,887
Construction materials	824,295	(14,900)	809,395	852,395	-	852,395
Prepaid expenses	1,211,786	(4,992)	1,206,794	1,400,761	-	1,400,761
Office equipment	4,540,022	(207)	4,539,815	4,658,377	(123)	4,658,254
Accounts receivable (4)	1,085,269	(32,714)	1,052,555	1,241,321	-	1,241,321
Total	19,632,686	(374,359)	19,258,327	17,728,519	(319,004)	17,409,515

As at 31 December 2017, the Group's carrying amount of inventories decreased by RMB143,787,000 (31 December 2016: 187,359,000). The decrease in carrying amount was caused by a 3.85% (2016: 3.16%).

As at 31 December 2017, there is no impairment loss (31 December 2016: Nil).

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Inventories (Continued)

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

	31 December 2016	Increase during the year	Decrease during the year	31 December 2017
Raw materials	3,252,604	53,176,247	(52,457,848)	3,971,003
Work in progress	2,223,924	42,305,344	(41,527,668)	3,001,600
Finished goods	3,713,285	63,308,678	(62,536,611)	4,485,352
Construction materials	113,302	2,958,416	(2,831,286)	240,432
Supplies	213,712	431,631	(441,077)	204,266
Leased fixed assets	35,951	282,070	(287,588)	30,433
Materials	22,887	62,459	(47,118)	38,228
Construction equipment	852,395	671,795	(699,895)	824,295
Prepaid expenses	1,400,761	652,515	(841,490)	1,211,786
Office equipment	4,658,377	7,284,484	(7,402,839)	4,540,022
Accounts receivable	1,241,321	16,434,036	(16,590,088)	1,085,269
Total	17,728,519	187,567,675	(185,663,508)	19,632,686

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

Category	31 December 2016	Increase during the year	Decrease during the year	Exchange Difference adjustment	31 December 2017
Raw materials	163,944	95,418	(40,757)	(24,999)	193,787
Work in progress	27,978	7,343	(22,108)	(2,299)	11,537
Finished goods	125,107	85,659	(11,162)	(91,866)	108,174
Construction materials	242	(58)			184
Supplies	1,538	7,636	(1,576)		7,700
Leased fixed assets	72	115	(24)		164
Real estate development		14,900			14,900
Real estate development		4,992			4,992
Office equipment	123	100		(7)	207
Accounts receivable		33,454		(740)	32,714
Total	319,004	249,617	(75,685)	(119,171)	374,359

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Inventories (Continued)

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

(a) The following table shows the carrying amount of inventories, the amount of provision for decline in value and the amount of reversal/write-off of provision for decline in value:

The following table shows the carrying amount of inventories, the amount of provision for decline in value and the amount of reversal/write-off of provision for decline in value:

Category	Basis for provision	Reason for reversal/write-off
Raw materials	The carrying amount of raw materials is based on the cost of production less the amount of provision for decline in value.	The carrying amount of raw materials is based on the cost of production less the amount of provision for decline in value.
Work in progress	The carrying amount of work in progress is based on the cost of production less the amount of provision for decline in value.	The carrying amount of work in progress is based on the cost of production less the amount of provision for decline in value.
Finished goods	The carrying amount of finished goods is based on the cost of production less the amount of provision for decline in value.	The carrying amount of finished goods is based on the cost of production less the amount of provision for decline in value.
Other receivables	The carrying amount of other receivables is based on the cost of production less the amount of provision for decline in value.	The carrying amount of other receivables is based on the cost of production less the amount of provision for decline in value.
Stores	The carrying amount of stores is based on the cost of production less the amount of provision for decline in value.	The carrying amount of stores is based on the cost of production less the amount of provision for decline in value.
Construction in progress	The carrying amount of construction in progress is based on the cost of production less the amount of provision for decline in value.	The carrying amount of construction in progress is based on the cost of production less the amount of provision for decline in value.
Real estate	The carrying amount of real estate is based on the cost of production less the amount of provision for decline in value.	The carrying amount of real estate is based on the cost of production less the amount of provision for decline in value.
Real estate development	The carrying amount of real estate development is based on the cost of production less the amount of provision for decline in value.	The carrying amount of real estate development is based on the cost of production less the amount of provision for decline in value.
Office equipment	The carrying amount of office equipment is based on the cost of production less the amount of provision for decline in value.	The carrying amount of office equipment is based on the cost of production less the amount of provision for decline in value.
Accumulated depreciation	The carrying amount of accumulated depreciation is based on the cost of production less the amount of provision for decline in value.	The carrying amount of accumulated depreciation is based on the cost of production less the amount of provision for decline in value.

(4) Amount due from customer for contract work

	31 December 2017	31 December 2016
Aggregate carrying amount of contract work receivables	10,263,318	6,293,908
Less: contract work receivables	(9,290,348)	(5,131,718)
	972,970	1,162,190
Contract work receivables	1,085,269	1,241,321
Provision for contract work receivables	(112,299)	(79,131)
	972,970	1,162,190

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Assets and liabilities held for sale

31 December 2017		
Carrying amount immediately before the classification	Provision for impairment of assets held for sale	Carrying amount

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

As at 31 December 2017, the carrying amount of non-current assets is RMB128,736,000 (31 December 2016: RMB108,990,000).

Category Name	Reclassification	31 December 2017	31 December 2016
Long-term equity investments in subsidiaries (Long-term equity investments)	Accounts receivable	77,192	90,752
Long-term equity investments in associates	Accounts receivable	21,045	
Y&C Engineering Co., Ltd. (Y&C Engineering)	Jointly controlled entity	15,488	18,238
Zhongxing	Accounts receivable	11,273	
Neuhang Sheng	Jointly controlled entity	3,738	
Total		128,736	108,990

The following table details the carrying amount of non-current assets:

Category Name	Amount	% of total balance	31 December 2017		31 December 2016	
			Ending balance		Ending balance	
			Amount	% of total balance	Amount	% of total balance
Long-term equity investments in subsidiaries (Long-term equity investments)	83,604	64.95%	143,170	3.37%	90,752	34.77%
Long-term equity investments in associates	21,045	16.36%				
Y&C Engineering Co., Ltd. (Y&C Engineering)	15,488	11.99%			18,238	7.01%
Zhongxing	11,273	8.76%				
Neuhang Sheng	3,738	2.91%				
Total	128,736	100.00%	143,170	3.37%	108,990	100.00%

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. Available-for-sale financial assets

	31 December 2017	31 December 2016
Measured at fair value		
Available-for-sale equity investments	3,995	2,441
Trading assets	408,000	
Derivatives	28,661	30,803
Measured at cost		
Available-for-sale equity investments	411,980	412,240
Other	10	307
Less: Impairment allowance	(3,065)	(3,065)
Available-for-sale financial assets (Note IV.10)	(408,000)	
	441,581	442,726

(1) Because the equity investments are measured at fair value, the changes in their fair value are recognized in the consolidated profit or loss account.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

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

Available-for-sale financial assets measured at fair value:

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. Long-term receivables

	31 December 2017	31 December 2016
Finance receivables	20,223,046	21,814,831
Less: allowance for doubtful accounts	(7,514,064)	(8,593,181)
Finance receivables	12,708,982	13,221,650
Safeguarded balance	83,048	325,592
Others	273,516	158,052
Sub-total	13,065,546	13,705,294
Less: allowance	(185,006)	(485,052)
Total	12,880,540	13,220,242

As at 31 December 2017, the gross receivables due from debtors are denominated in RMB at a 5% (2016: N/A) foreign exchange rate.

The above receivables are due from various customers. The receivables are denominated in RMB, and are expected to be collected within one year from the reporting date.

	31 December 2017	31 December 2016
Medium-term receivables		
Within 1 year	6,260,716	5,467,492
1 to 2 years	3,240,272	3,608,636
2 to 3 years	2,254,953	2,261,810
Over 3 years	14,727,821	15,944,385
Sub-total	26,483,762	27,282,323
Less: allowance for doubtful accounts	(8,813,914)	(9,845,686)
Total	17,669,848	17,436,637

As at 31 December 2017, the gross receivables due from debtors are denominated in RMB at a 5% (2016: 1,255,723,000) foreign exchange rate.

	The derecognised amount	The income from derecognition
Finance receivables	526,780	11,719

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. Long-term receivables (Continued)

The following long-term receivables are aged as follows:

Category	Receivable	31 December 2017	31 December 2016
North America	Japan	138,335	
Latin America	Asia	63,873	75,484
Y&CE	Japan	16,326	31,814
North America	Asia	3,661	

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Long-term equity investments (Continued)

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

	Measurement					31 December 2017	Profit/Loss
	31 December 2016	Decrease/Increase	Net Investment	Other	Change		
Daag Shipping (CIM) Logistics (Group) Co., Ltd. (Daag Shipping Logistics)	36,294		9,034			45,328	
Shanghai (Sagha) Refractory Co., Ltd.	2,171		(357)			1,814	
Sagha Seawater Recycling Co., Ltd.	11,340		457		(665)	11,132	
NKYZ Energy	75,432		145		(9,443)	66,134	
Kaia Zengtao (Tai) Co., Ltd.	22,330		2,781			25,111	
Qingdao Jiefang Baocai Machinery Co., Ltd.	14,531	1,693	3,435		(4,113)	(486)	15,060
Dajiang Baogong Co., Ltd.	5,678		866		(1,000)	(344)	5,200
Sagha Baode Machinery Co., Ltd.	23,888	3,648	4,606			(1,217)	30,925
Taiji Baocai Machinery Co., Ltd.	7,933		1,598		(1,826)	(479)	7,226
Y&CE	195,777		16,999				212,776
Seecomb Energy Service Co., Ltd.	1,630		(1,552)				78
Ningbo Meibei Area Construction Management	50,100	3,000	(1,027)				52,073
Hagong Energy Management	20,100	1,200	(217)				21,083
Neihai SUG	33,287				(1,915)		31,372
Hagong Energy Management	10	(10)					-
Total	500,501	9,531	36,768		(16,382)	(5,106)	525,312

Refer to Note VI.2 for details

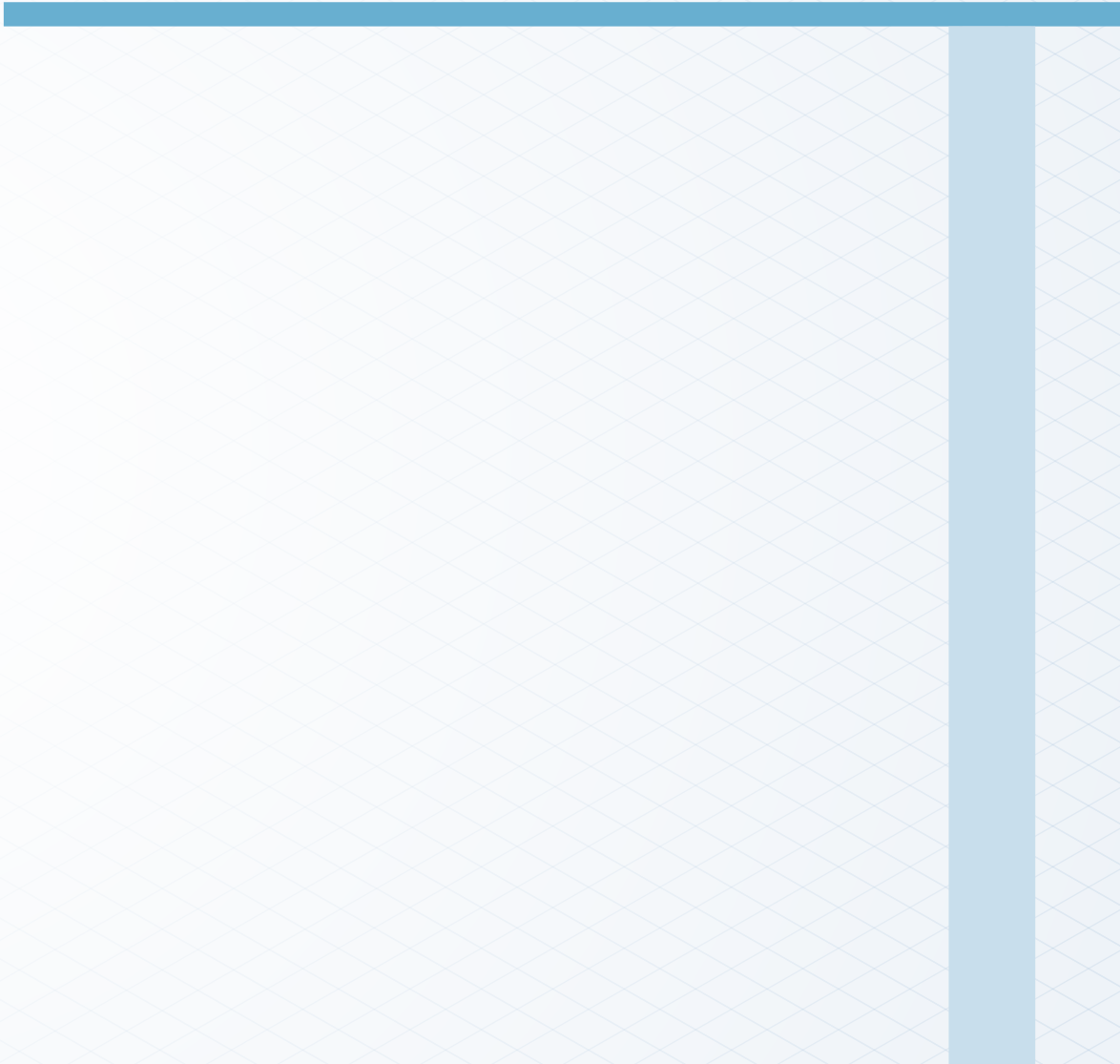
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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Long-term equity investments (Continued)

(3) Long-term equity investments in joint ventures



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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Long-term equity investments (Continued)

(3) Long-term equity investments in joint ventures (Continued):

	Movement						31 December 2017	Profit or loss
	31 December 2016	Decrease/Increase	Net investment	Additional investment	Disposal	Change in fair value		
Taishan & Energy Trading Co., Ltd.	21,110						21,110	
Jiasheng Co., Ltd.	126,454				(7,208)		119,246	
Xinfa Co., Ltd.	688		444				1,132	
Chengfa Co., Ltd.	6,296						6,296	
CIMC Aoba Facility Co., Ltd.	5,227		(2,256)				2,971	
Sagaxia Co., Ltd.	679	(600)	(79)				-	
Ningxia Ningxia Co., Ltd.	14,633	(1,852)	(79)				12,781	
Ce Tian Co., Ltd.	18,331		(41)				18,290	
Seerad Network Technology Co., Ltd.	2,637		(411)				2,226	
Beibei Co., Ltd.	7,407	2,000	(1,177)				8,230	
Guanghua Co., Ltd.	12,423		670				13,093	
Changfeng Safe Energy Ltd. (Changfeng Safe)	23,829		2,494				26,323	
Sagata Technology Co., Ltd.	485,275		(2,109)	16,448		33,149	532,763	
Zhangxi Baobiao Co., Ltd.	2,000		(245)				1,755	
Ningxia Baobiao Co., Ltd. (Ningxia Baobiao)	14,447		(1,297)				13,150	
Huaqiang Baobiao Co., Ltd. (Huaqiang Baobiao)	662		405				1,067	
UCS Energy LLC	2,448		540				2,988	
Mei Sheng Trade Co., Ltd. (Mei Sheng Trade)	5,779				(39)		5,740	
Shengde Hui Co., Ltd. (Shengde Hui)	23,755		(1,443)		(967)		21,345	
Huachuang Co., Ltd. (Huachuang)	851		58				909	
Zhangxi	17,858		1,414				19,272	
	22,648		1,716				24,364	

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Long-term equity investments (Continued)

(3) Long-term equity investments in joint ventures (Continued):

The Group's long-term equity investments include TSC, LHA Energy, Jiangsu Rice, Oric (Singapore), ZPMC, Cad, Huda, Zeng Xue, Hea Ydaad Seer Rad Ne, Tecog Co., Ltd. (20% share), etc. The Group's long-term equity investments are accounted for using the equity method.

As at 31 December 2017, the Group's long-term equity investments include the following: (31 December 2016: N/A).

14. Investment properties

	Buildings and relevant land use rights	Land use rights	Total
1 January 2016	730,168		730,168
Add	78,176		78,176
Change in fair value	75,792		75,792
Transfer of investment property	131,859		131,859
Transfer of investment property to long-term equity investments	46,843	130,551	177,394
Transfer of investment property to other long-term equity investments	786		786
Reclassification of investment property	102,062	482,772	584,834
Transfer of investment property to other long-term equity investments	(26,401)		(26,401)
31 December 2016	1,139,285	613,323	1,752,608

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Investment properties (Continued)

	Buildings and relevant land use rights	Land use rights	Total
1 January 2017	1,139,285	613,323	1,752,608
Change in fair value	5,344		5,344
Transfer of investment property	21,120		21,120
Transfer of investment property	90,231		90,231
Transfer of investment property	34,424		34,424
Reclassification of investment property	6,681		6,681
Transfer of investment property	(26,574)	(150,800)	(177,374)
Disposal	(5,045)	(48,800)	(53,845)
31 December 2017	1,265,466	413,723	1,679,189

In 2017, carrying amount of investment properties increased by RMB53,845,000 (2016: 1,266,000). The carrying amount of investment properties increased by RMB53,845,000 (2016: 4.15%) in 2017.

In 2017, the carrying amount of investment properties increased by RMB5,344,000. (2016: RMB75,792,000).

In 2017, the carrying amount of investment properties increased by RMB53,845,000 and decreased by RMB104,000,000 (2016: N/A).

As at December 31, 2017, the carrying amount of investment properties was RMB216,849,000 (December 31, 2016: 113,196,000) and the carrying amount of investment properties was RMB208,760,000 (December 31, 2016: N/A). The carrying amount of investment properties increased by RMB208,760,000 (December 31, 2016: N/A).

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Fixed assets

(1) Fixed assets

	Plants and buildings	Machinery and equipment	Office and other equipment	Motor vehicles	Offshore engineering equipment	Dock, wharf	Total
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Original

31 December 2016

Additional: 18,245.4164 569,470.64 6,299.54164 4,586.4 6,819.54164 9,525.57795 416,411,012.91795.4164
 Less: 18,534.54164 (22,076)

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Fixed assets (Continued)

(1) Fixed assets (Continued)

As at December 31, 2017, the net book value of fixed assets was RMB353,331,000 (original cost of RMB525,361,000) and accumulated depreciation was RMB172,030,000 (2016: RMB398,144,000). Refer to Note IV.24 for details.

In 2017, depreciation expense recognized was 1,794,182,000 (2016: 1,687,106,000), financial impairment loss was 20,483,000 and 282,746,000 (2016: 1,413,938,000, 20,737,000 and 252,431,000) and other impairment loss was 1,975,332,000 (2016: 1,206,156,000).

In 2017, the original cost of fixed assets was 1,975,332,000 (2016: 1,206,156,000).

(2) Temporarily idle fixed assets

As at 31 December 2017, the carrying amount of temporarily idle fixed assets was 148,018,000 (original cost of 214,983,000) (31 December 2016: carrying amount of 207,894,000 and original cost of 409,415,000). The following table shows the details:

	Original cost	Accumulated depreciation	Provision for impairment	Carrying amount
Plant and machinery	162,813	(37,729)		125,084
Motor vehicles	51,291	(28,624)		22,667
Transportation	42	(33)		9
Office & equipment	837	(579)		258
	214,983	(66,965)		148,018

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Fixed assets (Continued)

(3) Fixed assets held through finance leases :

	31 December 2017			31 December 2016		
	Book balance	Accumulated depreciation	Carrying amount	Book balance	Accumulated depreciation	Carrying amount
Plants and buildings	-	-	-	2,626	(1,875)	751
Machinery and equipment	14,779	(677)	14,102	527,599	(127,256)	400,343
Offshore engineering special equipments	33,031	(14,377)	18,654	31,113	(12,187)	18,926
Total	47,810	(15,054)	32,756	561,338	(141,318)	420,020

The following table provides a breakdown of the carrying amounts of fixed assets held through finance leases as at 31 December 2017.

(4) Fixed assets with certificates of ownership unsettled

	Carrying amount	Reason for pending
Factories and buildings	359,299	Partial certificates of ownership
Offices and buildings	28,401	Partial certificates of ownership
Warehouses	155,756	Partial certificates of ownership
Director's residence	50,899	Partial certificates of ownership
Warehouse	97,483	Uncertificates of ownership
Others	29,436	Certificates of ownership
Total	721,274	

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Construction in progress

(1) Construction in progress

	31 December 2017			31 December 2016	
	Book balance	Provision for impairment	Carrying amount	Book balance	Carrying amount
Construction in progress	18,723,948	-	18,723,948	19,405,489	19,405,489
Raffineria H273, H1284 Project	2,750,212	-	2,750,212	2,754,873	2,754,873
Zhejiang CIMC Heavy Lifting Equipment	76,842	-	76,842		
Facilities for electronic equipment	54,583	-	54,583		
Construction of Reactor Equipment	50,897	-	50,897	47,633	47,633
Digital Management System	18,030	-	18,030		
Digital System for CIMC Facilities	15,633	-	15,633	3,890	3,890
Electronic equipment	13,678	-	13,678	88,101	88,101
North CIMC Reactor Facilities	11,522	-	11,522		
Tan CIMC Reactor Facilities	11,414	-	11,414		
XHCIMCS Project Lead Pipe	5,352	-	5,352	1,506	1,506
TCCIMC Facilities	4,615	-	4,615	5,400	5,400
Digital CIMC equipment	4,601	-	4,601	11,497	11,497
Raffineria equipment (2000T)	3,178	-	3,178	3,080	3,080
C&T equipment	1,956	-	1,956	35,218	35,218
Seavice Gade Island	-	-	-	9,760	9,760
CIMC equipment	-	-	-	8,732	8,732
Refined equipment for Urea					

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Construction in progress (Continued)

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

Project Name	31 December 2016		2017		31 December 2017		2017		2017		Completion (%)	Balance at year end
	Original cost	Adjusted cost	Added	Transferred	Original cost	Adjusted cost	Added	Transferred	Completion (%)			
Vehicle production factory	26,208,671	19,405,489	1,746,767	(1,354,373)	18,723,948	92%	74%-100%	1,321,150	442,055	3.47%	Balance at year end	(1,073,935)
Raffie H273, H1284 Project	2,794,565	2,754,873	153,789	-	2,750,212	98%	95%	226,962	75,835	3.55%	Balance at year end	(158,450)

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. Disposal of fixed assets

	31 December 2017	31 December 2016
Particulars		
	90,740,000	105,512,000

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Intangible assets and development costs (Continued)

(2) As at 31 December 2017, intangible assets with pending certificates of ownership are as follows:

	Carrying amount in RMB	Reasons for unsettlement
SCIMCEL Trademark	55,000	Registered
C&C Trademark	43,000	Registered
SCIMCEL domain	2,000	Registered
Total	100,000	

All trademarks are obtained from the relevant government departments, and are used in accordance with the law.

(3) As at 31 December 2017, there are no pending certificates of ownership (31 December 2016: N/A).

(4) As at 31 December 2017, the amount of pending certificates of ownership is RMB 53,300,000 (31 December 2016: RMB 53,300,000).

(5) Development costs are as follows:

	31 December 2016	Change added	Recognized as expense	31 December 2017
Pre-licensing	43,089	57,073	(52,533)	47,629
Other	6,901	16,584	(3,715)	19,770
	49,990	73,657	(56,248)	67,399

In 2017, the Group's development costs amounted to RMB 725,386,000 (2016: RMB 563,792,000): RMB 651,729,000 for capitalized development costs (2016: RMB 519,440,000), and RMB 73,657,000 for recognized as expense (2016: RMB 44,352,000). As at 31 December 2017, the amount of capitalized development costs is RMB 67,399,000 (2016: RMB 44,352,000). The Group's development costs accounted for 1.20% (2016: 3.18%) of the total operating expenses.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Goodwill

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Goodwill (Continued)

(2) Impairment test for asset group including goodwill

The following table shows the carrying amount of the cash generating units and the goodwill included in each cash generating unit:

	31 December 2017	31 December 2016
China East	120,085	120,085
Radiata	415,664	408,658
Europe & Africa	1,036,235	1,074,195
Offices	229,460	229,397
Logistics	120,558	120,558
Headquarters	38,815	38,815
Other	121,873	108,196
Goodwill	29,755	27,989
Total	2,112,445	2,127,893

(3) The following table shows the carrying amount of the cash generating units and the goodwill included in each cash generating unit as at 31 December 2017:

The following table shows the carrying amount of the cash generating units and the goodwill included in each cash generating unit:

	Vehicles						C & C		Zhengzhou
	Enric	UK	TGE SA	YPDI	Bassoe	Pteris	Trucks	Hashenleng	Logistics
Goodwill	3%	3%	3%	3%	3%	3%	3%	3%	3%
Goodwill	18%	11%	14%	18%	80%	18%-27%	20%	18%	18%
Discount	12.5%-14.63%	12.35%	12%	13.14%	11.10%	13.3%	15.7%	11.51%	16%

The following table shows the carrying amount of the cash generating units and the goodwill included in each cash generating unit as at 31 December 2017:

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Long-term prepaid expenses

	31 December 2016	Decrease add	Decrease increase	Exchange difference rate change	31 December 2017
Yard facilities	9,691	657	(2,788)	52	7,612
Prepaid freight	133,924	114,806	(146,205)	1,199	103,724
Prepaid depreciation	9,439	10,655	(3,922)		16,172
Prepaid freight	19,996	25,298	(25,164)	(607)	19,523
Others	73,524	20,353	(35,692)	23	58,208
Sub-total	246,574	171,769	(213,771)	667	205,239
Less: prepaid expenses					-
Total	246,574	171,769	(213,771)	667	205,239

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Deferred tax assets and deferred tax liabilities

(1) The offsetting balances of deferred tax assets and liabilities offset and corresponding deductible or taxable temporary differences

	31 December 2017		31 December 2016	
	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)
Deferred tax assets:				
Property, plant and equipment	3,015,044	710,854	1,546,119	322,474
Accrued liabilities	999,526	209,194	690,921	139,994
Employee benefits payable	1,750,600	381,558	1,273,607	296,507
Accrued interest	555,749	120,791	493,541	89,303
Deductible temporary differences	2,572,434	485,290	1,861,895	332,307
Multiple foreign exchange rate differences				
Financial assets	1,063	266	27,566	6,892
Financial liabilities	3,048	762	14,230	2,134
Other	18,136	4,534	18,904	4,726
Other	318,960	74,698	278,319	69,580
Total	9,234,560	1,987,947	6,205,102	1,263,917
Offsetting balances	(2,285,238)	(1,125,763)	(1,174,900)	(610,204)

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Other non-current assets

	31 December 2017	31 December 2016
Prepaid financial charges	64,094	7,429
Prepaid financial expenses	13,516	8,695
Prepaid financial charges	6,956	32,235
Entirely prepaid	3,249	35,547
Others	71	2,447
Total	87,886	86,353

As at 31 December 2017, the entire amount of prepaid financial charges is due within 5% (inclusive) of the original period (31 December 2016: N/A).

23. Provision for asset impairment

	31 December 2016	Decrease add	Decrease Recovery	Decrease Write-off	Exchange difference translation	31 December 2017
Provision for doubtful debts						
Initial provision for doubtful debts	629,236	229,452	(89,260)	(465)	(11,786)	757,177
Provision for doubtful debts	1,580,439	147,281	(28,699)	(1,295,238)	(7,240)	396,543
Provision for doubtful debts	226,967	57,228	(504)	(1,261)	(13)	282,417
Provision for doubtful debts	792,246	138,934	(15,275)	(48,432)	(2,481)	864,992
Provision for deferred lease liabilities	319,004	249,617	(75,685)	(119,171)	594	374,359
Provision for other financial assets	2					2
Provision for other financial assets	3,065					3,065
Provision for other financial assets	369,259	20,252		(99,681)	190	290,020
Provision for other financial assets	2,421			(1,101)		1,320
Provision for other financial assets	175,672			(6,739)	(5,626)	163,307
Provision for other financial assets	136,308	38,000			(1,185)	173,123
Total	4,234,619	880,764	(209,423)	(1,572,088)	(27,547)	3,306,325

Prepaid financial charges are classified as non-current assets.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. Short-term borrowings

(1) Classification of short-term borrowings:

Name	31 December 2017	31 December 2016
Guaranteed (a)		
USD	417,560	2,938,354
RMB	1,506,156	937,852
EUR	364,490	61,487
Subtotal	2,288,206	3,937,693
Pledged (b)		
RMB	96,987	59,902
Unsecured		
USD	10,133,467	7,427,465
EUR	197,552	478,076
RMB	2,330,975	3,613,782
HKD	249,100	
Others	-	48,649
Subtotal	12,911,094	11,567,972
Discounted notes		
RMB	21,060	164,220
Total	15,317,347	15,729,787

(a) As at 31 December 2017, guaranteed borrowings include: (i) Term deposits: Hong Kong Bank, secured by a guarantee of RMB112,000,000 from the subsidiary CIMC Finance and Leasing; (ii) Term deposits: CIMC Raffaele secured by CIMC Raffaele Marine Engineering (Singapore) Pte Ltd and Ya'an CIMC Raffaele Shipyard. Guaranteed borrowings include: (i) RMB1,100,294,000 and US\$40,393,000 (equivalent to RMB264,006,000); (ii) Term deposits: C&C Trading secured by a guarantee of RMB210,000,000 from the subsidiary CIMC Finance and Leasing; (iii) Term deposits: CIMC Finance and Leasing secured by a guarantee of the subsidiary CIMC HK RMB3,000,000, USD23,500,000 (equivalent to RMB153,554,000); (iv) Guaranteed by RMB80,862,000, secured by the subsidiary CIMC Trading; (v) Guaranteed by the subsidiary CIMC Finance and Leasing, EUR46,728,000 (equivalent to RMB364,490,000) from the subsidiary CIMC Finance and Leasing.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

26. Financial liabilities at fair value through profit or loss

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

28. Accounts payable

(1) The Group's accounts payable is as follows:

	31 December 2017	31 December 2016
Trade payables	10,124,956	8,303,845
Legated goods receivable	559,737	461,925
Prepaid accounts	341,552	259,029
Prepaid expenses	387,357	658,048
Dividends receivable	579,407	150,029
Trade accounts	81,816	135,159
Prepaid goods	43,661	129,178
Others	97,825	63,738
Total	12,216,311	10,160,951

The following table shows the breakdown of trade payables:

	31 December 2017	31 December 2016
Within 1 year (current)	11,538,059	9,535,350
1-2 years (current)	313,282	414,188
2-3 years (current)	157,749	153,893
Over 3 years	207,221	57,520
Total	12,216,311	10,160,951

As at 31 December 2017, accounts payable under 1 year accounts payable of 678,252,000 (31 December 2016: 625,601,000) are classified as current liabilities. The remaining 11,538,059 (31 December 2016: 9,535,350) are classified as non-current liabilities.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

28. Accounts payable (Continued)

- (2) A a 31 Dece be, 2017, e e a acc a a be ed a e de, d g, e a 5% (d g 5%) f e, g, g f e G. Acc a a be ed, e a ed a e a e a ed f :

C a a e	Rea e G	31 December 2017		31 Dece be, 2016	
		Amount	% of total balance	A	% f a baa ce
Y&C e e	J l e, e	45,506	0.37%	66,157	0.65%
S aa Z	M, a e de, f b d a e	20,300	0.17%		
Q g e Ba b	A cae	17,097	0.14%	8,138	0.08%
N g g a g e	A cae	16,999	0.14%		
X CIMCW d C., Ltd	A cae	14,813	0.12%	17,905	0.18%
G a g e, g c	J l e, e	8,884	0.07%		
TSC	A cae	7,959	0.07%	25,727	0.25%
N g a c a g g	A cae	2,931	0.02%		
A a T ad g C., Ltd	M, a e de, f b d a e	2,162	0.02%	15,902	0.16%
O e, e a ed a e		1,844	0.01%	13,108	0.13%
T a		138,495	1.13%	146,937	1.45%

29. Advances from customers

- (1) Advances from customers

	31 December 2017	31 Dece be, 2016
A d a ce f, g d	4,074,032	3,167,715
A d a ce f, e	282,207	208,583
A d a ce f, c	168,297	155,912
A d a ce f, a d e a d g c	51,218	70,508
O e	48,334	177,976
T a	4,624,088	3,780,694

A a 31 Dece be, 2017, a d a ce f, e, l e, 1 ea a ca, g a f 289,060,000 (31 Dece be, 2016: 330,291,000), a e a, e a a d a ce a d, ec a e, e a ed ff, e b e e g ee, g b e. S ce e, d c c ce f e ff, e b e e g ee, g, ec a, e a e ea, e a d a ce f, e, a e e bee e ed.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

29. Advances from customers (Continued)

(2) As at 31 December 2017, the advances from customers are classified into 5% and 10% interest-bearing and non-interest-bearing. The advances from customers are as follows:

Counterparty	Relationship	31 December 2017		31 December 2016	
		Amount	% of total balance	Amount	% of total balance
Ne He Sheng (Guangdong)	Supplier	47,046	1.02%	-	-
Sa Zhi (Guangdong)	Supplier	895	0.02%	40	0.00%
Beigong (Beigong)	Supplier	-	-	12	0.00%
Other		2	0.00%	-	-
Total		47,943	1.04%	52	0.00%

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. Employee benefits payable (Continued)

(1) Short-term wages

	31 December 2016	2017 Add	2017 Decrease	Exchange differences on translation	31 December 2017
Wages and salaries, bonuses and allowances	1,699,319	5,711,262	(5,181,633)	2,210	2,231,158
Profit-sharing and pension benefits	205,151	103,239	(17,051)		291,339
Housing fund	6,118	227,403	(208,571)	(99)	24,851
Labour insurance and medical insurance	62,236	43,526	(40,978)	(740)	64,044
Social security fund	12,517	183,995	(178,953)		17,559
Long-term medical insurance	9,564	152,990	(149,110)		13,444
Welfare fund	1,583	19,921	(19,425)		2,079
Maternity fund	1,370	11,084	(10,418)		2,036
Other employee benefits	104,784	687,222	(743,879)	938	49,065
Total	2,090,125	6,956,647	(6,371,065)	2,309	2,678,016

(2) Defined contribution plans

	31 December 2016	2017 Add	2017 Decrease	Exchange differences on translation	31 December 2017
Balance	21,455	432,596	(426,205)		27,846
Unsettled expenses	2,554	10,381	(9,125)		3,810
Expenses	147	2,761	(2,702)		206
Total	24,156	445,738	(438,032)		31,862

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. Employee benefits payable (Continued)

(3) Dismissal welfare

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

34. Other payables (Continued)

(3) As at 31 December 2017, the amount of other payables due to related parties is RMB500 million (or RMB500 million), of which RMB500 million is due to related parties. The interest rate is 5% (or 5%) per annum.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

35. Provisions

		31 December 2016	Additions	Decreases	Decreases	Decreases	Exchange differences	31 December 2017
Provision for doubtful accounts	(1)	690,574	99,997	483,364	(117,117)	(229,025)	(10,501)	1,050,662

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

36. Current portion of non-current liabilities

The following table shows the current portion of non-current liabilities as at the end of each reporting period:

	Unit	31 December 2017	31 December 2016
Current portion of long-term debt	IV.38	2,134,980	3,401,313
Unsecured		1,476,028	
Secured		371,618	124,397
		3,982,626	3,525,710
Current portion of long-term lease		107,388	136,571
Lease liability		(14,034)	(15,826)
Current portion of other non-current liabilities	IV.40	93,354	120,745
Other		7,255	17,567
		100,609	138,312
Other		2,344	3,850
Total		4,085,579	3,667,872

37. Other current liabilities

	Unit	31 December 2017	31 December 2016
Current portion of other non-current liabilities	(1)		

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(A a F e e e e ded 31 Dece be, 2017
 (A a RMB'000 e e e e a ed)
 (E g T a a f, Refe, e ce O)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Long-term borrowings

(1) Classification of long-term borrowings

N e	31 December 2017	31 Dece be, 2016
Ba i b g U e d ed	10,668,493	11,496,937
M r gaged G a a eed	() 12,217,399	6,260,830 12,791,165
	28,122,794	30,548,932
Le i e f g- e b g U e d ed	2,134,980	3,401,313
M r gaged G a a eed	() 371,618	1,476,028 124,397
	3,982,626	3,525,710
T a	24,140,168	27,023,222

() A a Dece be, 31, 2017, e G e c a e a e d b g e CIMC Lea g c r a c e d b e c f f a c a e a e a c a e a b f e b a USD810,460,000 (e L a e RMB5,236,902,000). T e g- e c a e a e d b g c e e e e a a USD225,893,000 (e L a e RMB1,476,028,000).

() A a 31 Dece be, 2017, e G e g a a e e d b g e c r e d f e f g b a b g f F e a e d USD1,487,000,000 (e L a e RMB9,718,954,000) c e e a a e e d b e C a a d CIMC HK, a g c e e a e d USD48,811,000 (e L a e RMB318,940,000); T e a e e a a RMB7,203,000 a e e d b e b d a CITI C I e g e T e c g C., L. d. f D g a CIMC I e g e T e c g C., L. d.; e a e e a f CIMC V e c e U K L e d (V e c e U K) a a e e d b e c a a GBP27,000,000 (e L a e RMB237,050,000), c d g e g- e b g e e d r g e e a e e GBP6,000,000 (e L a e RMB52,678,000); e a e e a l d e d b H g B g e e f r b d a CIMC Lea g a RMB150,363,000.

(2) N a e e a e d e d 5% r r e f e g g f e C a r d e r e a e d a e c d e d e a b l e b a a c e f g- e b g . (2016:)

(3)

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

39. Debentures payable

	31 December 2016 and 31 December 2017
Medicine	7,986,500

(1) Related information is as follows:

Debenture name	Par value	Issuance date	Maturity	Issuance amount
Medicine -16CIMC MTN1 ()	3,500,000	2016/8/11	3 years	3,500,000
Medicine -16CIMC MTN2 ()	2,500,000	2016/8/22	3 years	2,500,000
Medicine -16CIMC MTN3 ()	2,000,000	2016/10/17	3+N years	1,986,500
Total	8,000,000			7,986,500

- (1) The Company issued three medium-term notes (MTN) with a total amount of RMB3.5 billion on August 11, 2016, with a face value of RMB3.5 billion, an annual coupon rate of 3.07%, and a maturity date of August 11, 2019. The Company issued two medium-term notes (MTN) with a total amount of RMB2.5 billion on August 22, 2016, with a face value of RMB2.5 billion, an annual coupon rate of 3.15%, and a maturity date of August 22, 2019. The Company issued one medium-term note (MTN) with a total amount of RMB2.0 billion on October 17, 2016, with a face value of RMB2.0 billion, an annual coupon rate of 3.15%, and a maturity date of October 17, 2019. The Company issued one medium-term note (MTN) with a total amount of RMB1.9865 billion on October 17, 2016, with a face value of RMB1.9865 billion, an annual coupon rate of 3.15%, and a maturity date of October 17, 2019. The Company issued one medium-term note (MTN) with a total amount of RMB1.9865 billion on October 17, 2016, with a face value of RMB1.9865 billion, an annual coupon rate of 3.15%, and a maturity date of October 17, 2019.
- (2) On October 17, 2016, the Company issued three medium-term notes (MTN) with a total amount of RMB7.9865 billion. The Company issued one medium-term note (MTN) with a total amount of RMB3.5 billion, an annual coupon rate of 3.07%, and a maturity date of August 11, 2019. The Company issued two medium-term notes (MTN) with a total amount of RMB2.5 billion, an annual coupon rate of 3.15%, and a maturity date of August 22, 2019. The Company issued one medium-term note (MTN) with a total amount of RMB1.9865 billion, an annual coupon rate of 3.15%, and a maturity date of October 17, 2019. The Company issued one medium-term note (MTN) with a total amount of RMB1.9865 billion, an annual coupon rate of 3.15%, and a maturity date of October 17, 2019.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

40. Long-term payables

	31 December 2017	31 December 2016
Financial lease liabilities	229,806	323,920
Lease liabilities	(10,585)	(34,723)
Financial lease liabilities -	219,221	289,197
Payable interest	-	120,789
Deferred tax	101,834	117,922
Others	26,214	1,464

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

41. Payables for specific projects

	31 December 2016	Change add	Change deducted	31 December 2017
Payables	9,704	5,360	(937)	14,127

42. Deferred income

Name	31 December 2016	Change add	Change deducted	31 December 2017	Remarks
Guangdong	(1) 829,742	189,452	(178,108)	841,086	Guangdong, established by the Guangdong Province
Others	9,996	776	(5,626)	5,146	Others, established by the Guangdong Province
Total	839,738	190,228	(183,734)	846,232	

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Deferred income (Continued)

(1) Government grants

	31 December 2016	Increase/decrease	Decrease/decrease				31 December 2017	Amount/Increase
			Federal	Other	Government	Non-government		
Yantai Raffles Na... a De... e e a d	200,000			(11,460)			188,540	Amount
Ref. C... e, e e e								
f d... a... g... g... ec b... dge								
re...								
E... c... e... e... a	184,253			(7,132)			177,121	Amount
E... c... e... g... e... e... g... a	80,396			(3,469)			76,927	Amount
S... a... CIMC... Ve... cel... d... , G... a... de	54,052			(7,668)			46,384	Amount
c... c... g... a								
N... gb... C... a... e... Ma... f... a... c... t... e... d... ,	38,000						38,000	Amount
d... f... d...								
TAS... d... , a... b... a... e... , ec...	28,291	4,220		(3,899)			28,612	Amount
QDCRC... , d... b... a... , f... a... g... e... e...		27,730		(193)			27,537	Amount
ec...								
C&C... c... g... e... e... d... d... a	30,000			(2,679)			27,321	Amount
Ma... e... E... g... ee... g... e... Te... g...		14,840					14,840	Amount
a... d... Te... g... P... a... f... , C... c... c...								
Ma... e... E... g... ee... g... e... Te... g...								
P... a... f... , C... c... c...								
QDSCR... , d... b... a... , f... a... g... e... e...		13,578		(94)			13,484	Amount
ec...								
T... a... c... g... CIMC... S... e... c... a... L... g... c... e... e...	11,396			(304)			11,092	Amount
C... .L.d.								
TCCIMC... a... d... c... e... a	9,862			(263)			9,599	Amount
XHCIMCS... Z... a... g... e... ba... , a... d... a... ced								
4,220 (7,668)								

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Deferred income (Continued)

(1) Government grants (Continued)

	31 December 2016	Change added	Decrease due to		31 December 2017	Accounting classification
			Government grants	Non-government grants		
MEA (China)	5,520				5,520	Accounting
Shanghai Yac R&D Development Project		5,000		(85)	4,915	Accounting
Advanced technology development project	3,000	2,180		(1,000)	4,180	Accounting
Yan Ronghe Ship Design (B) Ltd. Seca	26,504	19,013		(41,430)	4,087	Accounting
Shanghai Advanced Technology Development Project	5,000			(917)	4,083	Accounting
Advanced Technology Development Project	4,270			(225)	4,045	Accounting
Advanced Technology Development Project	2,256			(225)	2,031	Accounting
C&T Advanced Technology Development Project		2,626		(613)	2,013	Accounting
TAS Advanced Technology Development Project	886			(97)	789	Accounting
Advanced Technology Development Project		4,000		(4,000)	-	Accounting
Advanced Technology Development Project	6,000			(6,000)	-	Accounting
Advanced Technology Development Project	17,362			(17,362)	-	Accounting
Advanced Technology Development Project	10,764			(10,764)	-	Accounting
Advanced Technology Development Project	82,416	55,004		(53,895)	83,525	Accounting/ Accounting
Total	829,742	189,452		(178,108)	841,086	

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

44. Share capital

	31 December 2016 '000	Share add '000	Share decrease '000	Change before issue '000	31 December 2017 '000
Shares subject to trading restriction	4,312	-	200	1,265,813	
Headed in capital	699			(200)	499
Shares not subject to trading restriction					
RMB-denominated shares	1,261,301	4,312		200	1,265,813
Foreign denominated shares	1,716,577				1,716,577
Total	2,978,577	4,312			2,982,889

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

45. Other equity instruments

	31 December 2016	Change during the period	Other change during the period	30 December 2017
Per share	2,049,035	87,808	(103,800)	2,033,043

	31 December 2015	Change during the period	Other change during the period	30 December 2016
Per share	2,033,043	119,792	(103,800)	2,049,035

As at 31 December 2015, the Group had issued 2,000 million shares of ordinary shares with a par value of RMB1.00 per share. The total amount of shares issued was 1,981,143,000 shares, representing 99.07% of the total shares of 1,981,143,000 shares. The Group has a 5.19% shareholding in the subsidiary, CIMC Heavy Equipment Co., Ltd. (CIMC Heavy). The Group has also issued 3 million shares of preferred shares with a par value of RMB1.00 per share. The total amount of shares issued was 3,000,000 shares, representing 0.15% of the total shares of 2,000,000,000 shares. The Group has also issued 103,800 shares of restricted shares with a par value of RMB1.00 per share. The total amount of shares issued was 103,800 shares, representing 0.005% of the total shares of 2,000,000,000 shares. Before the end of the reporting period, the Group has issued 103,800 shares of restricted shares with a par value of RMB1.00 per share. The total amount of shares issued was 103,800 shares, representing 0.005% of the total shares of 2,000,000,000 shares.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

46. Capital surplus (Continued)

	31 Dec 2015	Decrease add	Decrease decrease	31 Dec 2016
Share premium	3,577,648	12,773		3,590,421
Other capital surplus:				
- Exchange difference of foreign currency	692			692
- Available-for-sale financial assets	257			257
- Investment revaluation	402,887	22,316	(5,199)	420,004
- Capital reserve of subsidiaries	14,275	1,692		15,967
- Capital reserve of associates	207,660	227,441		435,101
- Decrease in fair value of equity investments				
- Gain on disposal of subsidiaries (including subsidiaries)	899,128	903		900,031
- Capital reserve of subsidiaries	(42,696)			(42,696)
- Capital reserve of associates				
- Reserve of associates	(224,430)		(22,239)	(246,669)
- Capital reserve of subsidiaries	(58,964)			(58,964)
- Effective portion of cash share repurchase	(406,795)			(406,795)
- Capital reserve of associates				
- Reserve of subsidiaries	(51,925)			(51,925)
- Reclassification of financial assets				
- Reserve of associates	(1,249,826)		(300,000)	(1,549,826)
Other	113,952	7,035		120,987
Total	3,181,863	272,160	(327,438)	3,126,585

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

47. Other Comprehensive Income

	2017					31 December 2017
	31 December 2016	Pre-tax amount incurred in current year	Less: Income tax	Post-tax amount attributable to the Company	Post-tax amount attributable to the minority	
Intangible assets	43,754	-	-	-	-	43,754
Goodwill	(3,344)	862	(294)	568	-	(2,776)
Financial assets	80	4,299	(645)	3,654	-	3,734
Employee benefits	(164,200)	(182,393)	-	(124,633)	(57,760)	(288,833)
Other comprehensive income	-	(52,115)	13,029	(39,086)	-	(39,086)
Other equity investments	-	16,448	-	16,448	-	16,448
Other comprehensive income	481,051	6,681	(1,670)	5,011	-	486,062
	357,341	(206,218)	10,420	(138,038)	(57,760)	219,303

	2016					31 December 2016
	31 December 2015	Pre-tax amount incurred	Less: Income tax	Post-tax amount attributable to the Company	Post-tax amount attributable to the minority	
Intangible assets	43,754	-	-	-	-	43,754
Goodwill	(3,240)	(104)	-	(104)	-	(3,344)
Financial assets	(4,074)	4,887	(733)	4,154	-	80
Employee benefits	(554,570)	462,287	-	390,370	71,917	(164,200)
Other comprehensive income	3,653	584,834	(83,825)	477,398	23,611	481,051
	(514,477)	1,051,904	(84,558)	871,818	95,528	357,341

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

48. Surplus reserve

	31 December 2016	Change add	Change deduct	31 December 2017
Surplus reserve	1,489,287	2,156		1,491,443
Deduct: Minority interest	1,790,092			1,790,092
Total	3,279,379	2,156		3,281,535

	31 December 2015	Change add	Change deduct	31 December 2016
Surplus reserve	1,413,486	75,801		1,489,287
Deduct: Minority interest	1,790,092			1,790,092
Total	3,203,578	75,801		3,279,379

The Company's surplus reserve is calculated in accordance with the Company's Articles of Association. The Company's surplus reserve is calculated as 10% of the profit after tax (including minority interest) for each year, until it reaches 50% of the registered capital. The Company's surplus reserve is used for the following purposes:

The Company's surplus reserve is used for the following purposes:

49. Undistributed profits

	Net	2017	2016
Undistributed profit		17,495,053	17,805,808
Add: Minority interest		2,509,242	539,660
Less: Minority interest		(87,808)	(119,792)
Less: Minority interest		(2,156)	(75,801)
Less: Minority interest	(1)	(179,837)	(654,822)
Undistributed profit		19,734,494	17,495,053

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

49. Undistributed profits (Continued)

- (1) Dividends of ordinary shares declared during the year

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

50. Revenue and cost of sales (Continued)

(3) Revenue and cost of sales from other operations

	2017		2016	
	Revenue from other operations	Cost of sales from other operations	Revenue	Cost of sales
Revenue	1,112,771	436,712	786,869	269,449
Cost of sales	659,447	263,606	364,767	193,559
Total	1,772,218	700,318	1,151,636	463,008

51. Taxes and surcharges

	2017	2016	Tax base
Corporate income tax	108,394	132,272	7% VAT added
Education surcharge	82,806	99,173	3% 5% VAT added
Television	125,022	96,127	Advertising fee
Land use tax	75,163	55,503	Advertising fee
Highway	79,706	63,360	Real estate
Stamp duty	-	21,421	3% 5% fee
Other	33,213	24,272	Advertising fee
Total	12,419	10,971	

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

52. Selling and distribution expenses

	2017	2016
Transportation and distribution expenses	1,138,257	685,992
Employee benefits	811,113	720,700
Selling expenses	359,520	333,922
Warranty	207,391	96,219
Employee salaries	101,040	68,133
Production acceptance fee	40,163	19,161
Agency fee	38,631	39,149
Advertising	49,150	44,307
Storage	14,025	23,834
Others	167,428	125,563
Total	2,926,718	2,156,980

53. General and administrative expenses

	2017	2016
Employee benefits	2,238,096	1,775,770
Technology development	651,729	519,440
Agency fee	269,891	254,440
Depreciation	282,746	252,431
Amortization	265,686	228,404
Performance based advertising agency	476,910	175,826
Research	192,377	145,335
Lease related administrative expenses	120,275	106,476
Transportation charges	119,552	62,905
Share-based payments	16,324	32,384
Audit fee	13,460	14,070
Office related expenses and other fees	835,008	641,117
Total	5,482,054	4,208,598

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

54. Financial expenses-net

	2017	2016
Interest expense	1,666,516	1,409,223
Less: Capitalized interest	517,890	507,365
Less: Interest income	227,261	142,335
Exchange loss/(gain)	378,290	(175,044)
Other	146,666	134,630
Total	1,446,321	719,109

55. Expenses by nature

Classification of expenses by nature, based on the nature of the expenses incurred in the process of production and operation:

	2017	2016
Depreciation and amortization	(1,549,743)	(311,400)
Cost of materials consumed	55,997,065	35,135,856
Salaries and wages	7,402,385	5,925,685
Depreciation of fixed assets	2,343,346	2,191,830
Research	319,052	331,061
Selling and distribution expenses	1,184,077	817,931
Security expenses	359,520	333,922
Technical expenses	651,729	519,440
Provision for bad debts	672,161	519,311
Provision for doubtful accounts	633,742	535,228
Advertising	13,460	14,070
Other expenses - manufacturing	470,498	423,193
Other expenses - general and administrative	557,183	337,318
Other expenses - financial	1,647,012	1,074,150
Total	70,701,487	47,847,595

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

56. Profit arising from changes in fair value

	2017	2016
Financial assets at fair value through profit or loss		
1. Profit from change in fair value of financial assets	56,175	7,776
2. Profit/(Loss) from change in fair value of financial assets	21,454	70,286
(Loss)/Profit from decrease in fair value of financial assets	(1,252)	232,153
Sub-total	76,377	310,215
Investment properties at fair value	5,344	75,792
Financial liabilities at fair value through profit or loss		
1. Profit from change in fair value of financial liabilities	12,813	242,308
2. Profit/(Loss) from change in fair value of financial liabilities	16,782	(14,402)
Sub-total	29,595	227,906

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

58. Gain on disposal of assets

	2017	2016	Amount in RMB'000
Gain on disposal of fixed assets	100,791	102,444	100,791
Gain on disposal of flagbeams	12,543	299,902	12,543
Total	113,334	402,346	113,334

59. Other income

	2017	2016	Amount in RMB'000
Financial income	392,270		392,270
Tax refund	56,791		56,791
Other	23,565		23,565
Total	472,626		472,626

60. Asset impairment losses

	2017	2016
Impairment loss	173,932	100,725
Accumulated impairment loss	140,192	174,954
Other impairment loss	118,582	1,403,702
Loss on disposal of fixed assets (Net of related income)	123,659	271,429
Adverse exchange rate	56,724	46,716
Goodwill	38,000	77,557
Fixed assets	20,252	8,310
Flagbeams	-	5,936
Construction in progress	-	305
Total	671,341	2,089,634

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

63. Income tax expenses

	2017	2016
Current income tax expense	1,266,361	985,708
Deferred income tax	(15,535)	(18,640)
Total	1,250,826	967,068

Reconciliation of income tax expense to accounting profit:

	2017	2016
Profit before tax	4,409,241	1,702,051
Income tax expense calculated at applicable rates	974,772	340,144
Effect of tax rate changes	(148,887)	(112,254)
Excess of tax expense over the amount calculated at applicable rates	135,909	122,230
Other credits	(37,101)	(1,958)
Unrecognized tax loss carryforwards	(128,878)	(41,584)
Tax effect of unrecognized tax loss carryforwards	464,203	362,965
Deferred income tax expense recognized		

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

64. Earnings per share

(1) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period:

	2017	2016
Profit attributable to ordinary shareholders of the Company	2,509,242	539,660
Less: Preference dividends	(87,808)	(119,792)
Profit attributable to ordinary shareholders of the Company	2,421,434	419,868
Weighted average number of ordinary shares outstanding ('000)	2,980,056	2,978,296
Basic earnings per share (RMB/share)	0.81	0.14
Interim dividend per share	0.81	0.14

(2) Diluted earnings per share

Diluted earnings per share is calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, including the effect of dilutive potential ordinary shares:

	2017	2016
Profit attributable to ordinary shareholders of the Company	2,509,242	539,660
Less: Preference dividends	(87,808)	(119,792)
Effect of dilutive potential ordinary shares	(1,371)	
Profit attributable to ordinary shareholders of the Company	2,420,063	419,868
Weighted average number of ordinary shares outstanding (diluted) ('000)	2,988,147	2,984,119
Diluted earnings per share (RMB/share)	0.81	0.14

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

(3) Cash received relating to other investing activities

	2017	2016
Cash received from disposal of long-term investments	189,452	438,526
Others	-	8,394

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

66. Information to cash flow statement

(1) Supplementary information to the consolidated cash flow statement

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

	2017	2016
Net profit	3,158,415	734,983
Add: Depreciation and amortization	671,341	2,089,634
Decrease in allowance for doubtful accounts	1,794,182	1,687,106
Change in allowance for bad debts	335,393	383,811
Change in allowance for doubtful accounts	213,771	120,913
Loss on disposal of property, plant and equipment	97,699	151,788
Gain on disposal of property, plant and equipment	(68,701)	
Gain on disposal of property, plant and equipment	(111,316)	(613,913)
Financial income	1,666,516	1,798,022
Loss on disposal of property, plant and equipment	(510,351)	(234,410)
Share-based payment	16,324	32,384
Change in deferred income tax	(158,967)	(60,668)
Change in deferred income tax	(178,108)	(116,575)
Change in deferred income tax	64,627	64,998
Change in allowance for doubtful accounts	(1,772,602)	(451,064)
Change in allowance for doubtful accounts	(5,369,090)	(4,372,074)
Change in allowance for doubtful accounts	4,426,246	1,126,684
Net cash from operating activities	4,275,379	2,341,619

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

	2017	2016
Cash and cash equivalents at the beginning of the year	5,442,857	6,338,667
Less: Cash and cash equivalents at the end of the year	6,338,667	3,259,123
Net (decrease)/increase in cash and cash equivalents	(895,810)	3,079,544

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

66. Information to cash flow statement (Continued)

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

	2017	2016
I. If the acquisition is a business combination:		
Cash consideration paid	814,800	965,036
Less: Cash consideration received from the acquired subsidiaries	250,655	226,674
Net cash paid	564,145	738,362
Net assets acquired		
Identifiable intangible assets	1,677,482	604,411
Non-current assets	653,113	505,556
Current assets	(1,306,414)	(537,137)
Non-current liabilities	(107,244)	(123,640)
Current liabilities	(14,194)	(20,764)

(3) Information on disposal of subsidiaries or other undertakings:

	31 December 2017	31 December 2016
I. If the disposal is a business combination:		
1. Cash consideration received from the disposal of subsidiaries	506,972	232,000
Less: Cash consideration received from the disposal of subsidiaries	31,343	25,579
2. Net cash received	475,629	206,421
Preferential disposal 2017	651,133	548,257
Net assets disposed		
Identifiable intangible assets	189,441	1,374,610
Non-current assets	332,514	203,105
Current assets	(404,461)	(1,454,511)
Non-current liabilities	(915)	(12)
Current liabilities	75,746	

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

66. Information to cash flow statement (Continued)

(4) Cash and cash equivalents



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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

67. Monetary items denominated in foreign currency

	31 December 2017		
	Functional currency (in thousands)	Exchange Rate	in RMB
Monetary items			
EUR	201,013	7.8003	1,567,965
USD	44,772	6.5359	292,628
HKD	313,508	0.8359	262,061
GBP	21,750	8.7796	190,960
THB	357,810	0.2005	71,741
AUD	8,434	5.0916	42,942
JPY	300,288	0.0579	17,387
Other			100,178
			2,545,862
Accounts receivable			
USD	1,275,585	6.5359	8,337,096
EUR	93,764	7.8003	731,391
GBP	41,424	8.7796	363,688
JPY	1,192,742	0.0579	69,060
HKD	60,556	0.8359	50,619
AUD	9,503	5.0916	48,387
THB	14,429	0.2005	2,893
Other			209,435
			9,812,569
Other receivable			
USD	90,038	6.5359	588,479
EUR	16,532	7.8003	128,958
GBP	3,992	8.7796	35,052
HKD	23,227	0.8359	19,416
AUD	480	5.0916	2,443
THB	699	0.2005	140
Other			75,858
			850,346
Long-term receivable			
USD	1,363,911	6.5359	8,914,386
GBP	11,448	8.7796	100,509
Other			11,095
			9,025,990

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

67. Monetary items denominated in foreign currency (Continued)

	31 December 2017		
	Functional currency (in thousands)	Exchange Rate	in RMB
Short-term borrowings			
USD	1,614,319	6.5359	10,551,027
EUR	72,054	7.8003	562,042
Others			249,100
			11,362,169
Accounts payable			
USD	148,781	6.5359	972,415
GBP	44,393	8.7796	389,756
EUR	47,716	7.8003	372,200
CHF	13,664	6.6779	91,248
HKD	57,729	0.8359	48,256
AUD	7,195	5.0916	36,632
THB	41,111	0.2005	8,243
JPY	21,960	0.0579	1,271
Others			112,185
			2,032,206
Other payable	1,271		
USD	122,789	6.5359	802,534
EUR	15,971	7.8003	124,577
GBP	13,231	8.7796	116,160
JPY	209,390	0.0579	12,124
HKD	9,074	0.8359	7,585
AUD	1,328	5.0916	6,762
THB	17,503	/T1 THB	

12,185

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V. CHANGES IN THE SCOPE OF CONSOLIDATION

1. Business combinations involving enterprises not under common control

(1) Business combinations involving enterprises not under common control

The acquiree	The acquisition date	Cost of acquisition	Acquired equity percentage	Acquisition method	Deterministic accordance of the acquisition date	Cash flows			
						Revenue of the acquiree from the acquisition date to the end of the year	Net loss of the acquiree from the acquisition date to the end of the year	from operating activities of the acquiree from the acquisition date to the end of the year	Net cash flows of the acquiree from the acquisition date to the end of the year
SOE (2)	4 April 2017	799,800	100%	Business combination	Reverse acquisition		13,001	(2,539)	44,450

See Note 3 to the financial statements for details.

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V. CHANGES IN THE SCOPE OF CONSOLIDATION (CONTINUED)

1. Business combinations involving enterprises not under common control (Continued)

(2) Nantong CIMC Sinopacific Offshore & Engineering Co., Ltd.

On 4 August 2017, a wholly owned subsidiary of the Company, EIC, acquired 100% of the equity of SOE, a wholly owned subsidiary of the Company, through a share purchase agreement. The acquisition was completed on 4 August 2017. The purchase price was RMB799,800,000.

(a) Details of SOE of the costs of combination and profit or loss recognized are as follows

Costs of combination	
Capital expenditure	799,800
Less: fair value of identifiable intangible assets	(868,501)
Goodwill	(68,701)

The goodwill is attributable to the identifiable intangible assets that are not recognized as assets of SOE. The goodwill is measured at the fair value of the identifiable intangible assets at the acquisition date. The goodwill is measured at the fair value of the identifiable intangible assets at the acquisition date. The goodwill is measured at the fair value of the identifiable intangible assets at the acquisition date.

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V. CHANGES IN THE SCOPE OF CONSOLIDATION (CONTINUED)

1. Business combinations involving enterprises not under common control (Continued)

(2) Nantong CIMC Sinopacific Offshore & Engineering Co., Ltd. (Continued)

(b) *The assets and liabilities of Acquirer at the acquisition date are as follows:*

	Acquisition date Fair value	Acquisition date Carrying amount	31 December 2016 Carrying amount
Ca a ba i a d a d	249,792	249,792	92,204
Acc e e e a b e ()	288,884	288,884	235,749
O e e e e a b e ()	764,090	764,090	592,674
I e e e	330,700	310,077	409,476
F e d a e	415,890	299,130	395,726
C e c e e e	72,900	42,515	83,553
I a g b e a e	117,000	72,884	105,313
S e e b e e e			(1,279,755)
Acc e e a b e	(1,279,755)		

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V. CHANGES IN THE SCOPE OF CONSOLIDATION (CONTINUED)

1. Business combinations involving enterprises not under common control (Continued)

(3) Zhengzhou Logistics

In 2017, CIMC Aacg Container Co., Ltd. (CIMC Aacg) acquired 100% of the equity of Zhengzhou Logistics Co., Ltd. (Zhengzhou Logistics) through a series of transactions. The acquisition was completed on December 31, 2017. The acquisition price was RMB12,000,000. The fair value of the net assets of Zhengzhou Logistics at the acquisition date was RMB12,000,000. The difference between the acquisition price and the fair value of the net assets was RMB5,000,000, which was recognized as goodwill.

(a) Cash paid: RMB5,000,000;

(b) 8.03% of the equity of CIMC Aacg Container Co., Ltd. (CIMC Aacg) held by the company's subsidiary, CIMC Aacg (Shanghai) Container Co., Ltd. (CIMC Aacg (Shanghai)) held 8.03% of the equity of CIMC Aacg Container Co., Ltd. (CIMC Aacg) held RMB12,000,000; and

(c) The company's subsidiary, CIMC Aacg (Shanghai) Container Co., Ltd. (CIMC Aacg (Shanghai)) paid RMB3,000,000 and 3% of the equity of Zhengzhou Logistics Co., Ltd. (Zhengzhou Logistics) held by the company's subsidiary, CIMC Aacg (Shanghai) Container Co., Ltd. (CIMC Aacg (Shanghai)).

After the acquisition, CIMC Aacg Container Co., Ltd. (CIMC Aacg) became the controlling shareholder of Zhengzhou Logistics Co., Ltd. (Zhengzhou Logistics) with a 54.7% shareholding.

(b) Details of the costs of combination and goodwill recognized are as follows:

Costs of combination	
Cash paid	5,000
8.03% of the equity of CIMC Aacg Container Co., Ltd. (CIMC Aacg) held by the company's subsidiary, CIMC Aacg (Shanghai) Container Co., Ltd. (CIMC Aacg (Shanghai)) held RMB12,000,000; and	12,000
Net assets of Zhengzhou Logistics Co., Ltd. (Zhengzhou Logistics) at the acquisition date (c)	2,610
Less: fair value of the net assets of Zhengzhou Logistics Co., Ltd. (Zhengzhou Logistics) at the acquisition date	(5,966)
Goodwill	13,644

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V. CHANGES IN THE SCOPE OF CONSOLIDATION (CONTINUED)

1. Business combinations involving enterprises not under common control (Continued)

(3) Zhengzhou Logistics (Continued)

(b) The assets and liabilities of Acquired party at the acquisition date are as follows:

	Acquisition date Fair value	Acquisition date Carrying amount	31 December 2016 Carrying amount
Ca a ba i a d a d	514	514	58
Acc i eca a be	311	311	736
P, e a e	91	91	581
O e i eca a be	42	42	773
I e i e	7,601	7,006	5,893
O e i e a e			37
F e d a e	192	79	109
I a g be a e	6,880	2,732	5,374
De fe, e d a a e	751	751	
Acc i a a be	(1,301)	(1,301)	(1,328)
A d a ce f i e	(2,395)	(2,395)	(2,853)
O e i a a be	(5,254)	(5,254)	(5,962)
E e e be ef a a be	(141)	(141)	
Ta e a a be	(630)	(630)	(7)
De fe, e d a a b e	(695)		
Ne a e	5,966	1805	3,411

(c) Contingent consideration

A e a age e e a e a 3% a e f Z e g L g c e e i e e a, be e a RMB3,000,000, e a age e a e ed a e a f c ge c de a be a d be RMB3,000,000. A f Dece be, 31, 2017, e a age e a d e d c i e d i e a e i g e e fa i ee- ea b i i g, a e, e d i e u a e f e c ge c de a a RMB2,610,000 a d a i e c g ed e i a a be e c da ed ba a ce ee .

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V. CHANGES IN THE SCOPE OF CONSOLIDATION (CONTINUED)

2. Disposal of subsidiaries

(a) The relevant information for the disposal of major subsidiaries during the year is summarized as follows:

Name of the subsidiary	The disposal price	The equity percentage disposed	Disposal method	The disposal date	Deterministic accordance of the disposal date	The difference between the disposal price and the share of the net assets if the disposed subsidiary in the consolidated financial statements	The amount of other comprehensive income related to the equity investment of the Company transferred to the investment gains and losses Company transferred to the investment gains and losses
Shanghai CIMC International Container Equipment Co., Ltd. (CIMC E-c Equipment Co., Ltd.)	633,715	78.236%	Shareholding	30 October 2017	On 30 October 2017, the Company and the subsidiary entered into an agreement to transfer the shares of CIMC E-c Equipment Co., Ltd. held by the Company to the subsidiary. The transaction was completed on 30 October 2017. The Company has lost control over CIMC E-c Equipment Co., Ltd. and therefore it is no longer consolidated.		

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V. CHANGES IN THE SCOPE OF CONSOLIDATION (CONTINUED)

2. Disposal of subsidiaries (Continued)

(b) The disposal of gain and loss information is as follows:

(i) CIMC E-commerce.

Total gain/loss on disposal:

Disposal	633,715
Less: Share of net assets disposed	150,127
Operating loss on disposal	483,588

(ii) Highfield

Total gain/loss on disposal:

Disposal	17,418
Less: Share of net assets disposed	42,198
Operating loss on disposal	(24,780)

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VI. EQUITY IN OTHER ENTITIES

1. Equity in subsidiaries

As at the end of the reporting period, the equity in subsidiaries is as follows:

As at 31 December 2017, the balance of the equity in subsidiaries added 620. The equity in subsidiaries added is as follows: the balance of the equity in subsidiaries added is 351, the amount of the equity in subsidiaries added is 745,236,291.0. The equity in subsidiaries added is the result of the acquisition of the equity in subsidiaries. The equity in subsidiaries added is the result of the acquisition of the equity in subsidiaries. The equity in subsidiaries added is the result of the acquisition of the equity in subsidiaries.

(1) Subsidiaries obtained through establishment or business combination

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

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

(i) Domestic subsidiaries (Continued)

No.	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
6	Dalian CIMC Container Co., Ltd. (DLCIMC)	Wholly owned	Dalian, Liaoning	Dalian, Liaoning	Manufacture and sale of containers, repair and maintenance of containers, and other related services	USD39,956,400	18.50%	81.50%
7	Ningbo CIMC Logistics Co., Ltd. (NBCIMC)	Wholly owned	Ningbo, Zhejiang	Ningbo, Zhejiang	Manufacture and sale of containers, repair and maintenance of containers, and other related services	USD15,000,000		100.00%
8	Taiwan CIMC Container Co., Ltd. (TCCIMC)	Wholly owned	Taiwan, Jiangsu	Taiwan, Jiangsu	Manufacture and sale of containers	USD31,000,000		100.00%
9	Yangling Rongli Co., Ltd. (YZRYL)	Wholly owned	Yangling, Jiangsu	Yangling, Jiangsu	Manufacture and sale of containers	USD20,000,000		100.00%
10	Sagala CIMC Yangling Co., Ltd. (SHYSLE)	Wholly owned	Sagala	Sagala	Manufacture and sale of containers, repair and maintenance of containers	USD29,480,000		100.00%
11	Sagala CIMC Reefers Co., Ltd. (SCRC)	Wholly owned	Sagala	Sagala	Manufacture and sale of reefers, repair and maintenance of reefers, and other related services	USD31,000,000	72.00%	20.00%
12	Nantong CIMC Seacore Manufacturing Co., Ltd. (NTCIMCS)	Wholly owned	Nantong, Jiangsu	Nantong, Jiangsu	Manufacture and sale of containers, repair and maintenance of containers, and other related services	USD10,000,000		71.00%

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

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

(i) Domestic subsidiaries (Continued)

No.	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
13	Xinsheng CIMCS (China International Marine Containers) Co., Ltd. (XHCIMCS)	Wholly-owned	Jiangsu	Jiangsu	Manufacture and sale of containers, etc.	USD65,498,958	100.00%	
14	Nantong CIMCT Co., Ltd. (NTCIMCT)	Wholly-owned	Nantong	Nantong	Manufacture and sale of containers, etc.	USD35,000,000	70.57%	
15	Nantong CIMCL (Nantong CIMC) Co., Ltd. (Nantong CIMC)	Wholly-owned	Nantong	Nantong	Design, production and sale of containers, etc.	USD47,700,000	70.57%	
16	Shanghai CIMCS (China International Marine Containers) Co., Ltd. (CIMCSV)	Wholly-owned	Shanghai	Shanghai	Design, production and sale of containers, etc.	RMB200,000,000		63.33%
17	Qingdao CIMCS (China International Marine Containers) Co., Ltd. (QDSV)	Wholly-owned	Qingdao	Qingdao	Design, production and sale of containers, etc.	RMB62,880,000	44.34%	35.25%

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

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

(i) Domestic subsidiaries (Continued)

No.	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
18	Fa CIMCLGC (FALGC) Co., Ltd.	Wholesale	Fa	Fa	Design, production, sales and maintenance of containers	RMB3,000,000		100.00%
19	Saga CIMVCELGC (SHL) Co., Ltd.	Wholesale	Saga	Saga	Design, production, sales and maintenance of containers	RMB90,204,100		63.33%
20	See CIMWDC (CIMWD) Co., Ltd.	Wholesale	See	See	Production, sales and maintenance of containers	RMB30,000,000	12.00%	86.76%
21	CIMVCEL (LNV) Co., Ltd.	Wholesale	Ying	Ying	Design, production, sales and maintenance of containers	RMB60,000,000		63.33%
22	Ta P CIMZEL (TAP) Co., Ltd.	Wholesale	Ta	Ta	Production and maintenance of containers	RMB100,000,000		61.50%
23	CIM SHAC (XAS) Seca VCEL (XASV) Co., Ltd.	Wholesale	X'a Saa	X'a Saa	Design, production, sales and maintenance of containers	RMB50,000,000		47.50%
24	Ga CIMCHALVCEL (GSH) Co., Ltd.	Wholesale	Ba Ga	Ba Ga	Refugee containers, prefabricated containers and other containers	RMB25,000,000		63.33%

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No.	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
25	Xinsheng CIMC Container Manufacturing Co., Ltd. (XHCM)	Wholly-owned	Jiangsu	Jiangsu	Production, development, research and design, sales and service of containers, container chassis, etc.	RMB129,000,000		63.33%
26	Qingdao CIMC Ecology Co., Ltd. (QDHB)	Wholly-owned	Qingdao	Qingdao	Development, production, sales and service of garbage, waste, etc. recycling and treatment equipment.	RMB137,930,000		63.33%
27	Sagami CIMC Seavac Co., Ltd. (SHCIMCV)	Wholly-owned	Sagami	Sagami	Development, production, sales and service of various types of containers.	RMB10,000,000		63.33%
28	CIMC Fagade Leasing Co., Ltd. (CIMC Fagade Leasing)	Wholly-owned	Shanghai	Shanghai	Finance and leasing; distribution and sales of various types of containers; repair and maintenance of containers.	USD70,000,000	75.00%	25.00%
29	Qingdao Refrigera Technology Co., Ltd. (QDRV)	Wholly-owned	Qingdao	Qingdao	Manufacture and sales of various types of refrigeration equipment, etc.	USD29,405,000		76.44%
30	Nanjing CIMC Engineering Co., Ltd. (Nanji Engineering)	Wholly-owned	Nanjing	Nanjing	Manufacture and sales of various types of engineering equipment, etc.	RMB69,945,600		70.57%

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

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

(i) Domestic subsidiaries (Continued)

No.	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
37	CIMC Sea Development Co., Ltd. (CIMCSD)	Wholly-owned	Saga	Saga	International trade, import and export, freight forwarding, warehousing and distribution	RMB204,123,000	98.53%	1.47%
38	CIMC Vehicle (Xiang) Co., Ltd. (S14S)	Wholly-owned	Urumqi, Xiang	Urumqi, Xiang	Production and sale of motor vehicles, parts and accessories	RMB80,000,000		63.33%
39	CIMC Vehicle (Guang) Co., Ltd. (H1)	Wholly-owned	Shenzhen	Shenzhen	Development, production and sale of motor vehicles, parts and accessories	USD212,225,100	44.33%	19.00%
40	Qingdao CIMC Sea Reefer Co., Ltd. (QDCSR)	Wholly-owned	Qingdao	Qingdao	Manufacture of refrigerated containers, dry containers, etc.	USD39,184,100		100.00%
41	Taiwan CIMC Logistics Co., Ltd. (TJ-CIMCLE)	Wholly-owned	Taiwan	Taiwan	Development, production and sale of containers, parts and accessories	USD10,000,000		83.50%
42	Dalian CIMC Logistics Co., Ltd. (DLL)	Wholly-owned	Dalian	Dalian	Development, production and sale of containers, parts and accessories	USD20,120,000		100.00%

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

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

(i) Domestic subsidiaries (Continued)

No.	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
43	China CIMC Logistics Co., Ltd. (CQLE)	Wholesale	Chongqing	Chongqing	Design, manufacture, sales, maintenance, repair, operation, management, leasing, etc.	USD8,000,000	75.00%	25.00%
44	Dalian CIMC Heavy Logistics Co., Ltd. (DLZH)	Wholesale	Dalian	Dalian	Leasing, repair, design, manufacture, sales, etc.	USD45,170,000	62.70%	37.30%
45	Shanghai CIMC Intelligent Technology Co., Ltd. (CIMC Tech)	Wholesale	Shanghai	Shanghai	Design, development, sales, etc.	RMB70,294,188	59.46%	8.54%
46	CIMC Tachy Engineering Co., Ltd. (TCCRC)	Wholesale	Taiyuan	Taiyuan	Research and development, etc.	RMB450,000,000		100.00%
47	Hubei CIMC Babcock International Co., Ltd.	Wholesale	Shanghai	Shanghai	Manufacture of boiler, etc.	RMB28,000,000		85.60%
48	CIMC Jidong (Qingdao) Vehicle Manufacturing Co., Ltd. (QHDV)	Wholesale	Qingdao Hebei	Qingdao Hebei	Sales and maintenance, etc.	RMB70,000,000		47.50%
49	Shanghai CIMC Logistics Co., Ltd. (SILG)	Wholesale	Shanghai	Shanghai	Logistics, etc.	RMB80,000,000		100.00%

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

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

(i) Domestic subsidiaries (Continued)

No.	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
56	Shanghai CIMC International & Container Development Co., Ltd. (CIMC Container Development)	Wholly-owned	Shanghai	Shanghai	Real estate development	RMB339,512,100		61.50%
57	Yangjiang CIMC Container Real Estate Development Co., Ltd. (CIMC Haizhou)	Wholly-owned	Yangjiang	Yangjiang	Real estate development	RMB25,000,000		76.90%
58	Ningbo Rongcheng Container Co., Ltd. (Ningbo Rongcheng)	Wholly-owned	Ningbo Zhejiang	Ningbo Zhejiang	Container leasing, repair, maintenance	RMB5,000,000		60.00%
59	Cegelec CIMC International Pacific Intermodal Development Co., Ltd. (Cegelec International Pacific)	Wholly-owned	Cegelec, China	Cegelec, China	Container leasing, repair, maintenance; intermodal equipment leasing	RMB60,000,000		63.33%
60	CIMC Finance Co., Ltd. (Finance Co.)	Wholly-owned	Shanghai	Shanghai	Providing financial services	RMB500,000,000	100.00%	
61	Shanghai CIMC Intermodal Handling Co., Ltd. (SZ Intermodal Handling)	Wholly-owned	Shanghai	Shanghai	Intermodal equipment leasing, repair, maintenance	RMB75,000,000	100.00%	
62	Zhejiang CIMC Intermodal Vehicle Rental Co., Ltd. (HJQM)	Wholly-owned	Zhejiang, Hangzhou	Zhejiang, Hangzhou	Sales, leasing, repair, maintenance of intermodal equipment	RMB10,000,000		63.33%
63	Zhejiang CIMC Intermodal Container Co., Ltd. (HJCAST)	Wholly-owned	Zhejiang, Hangzhou	Zhejiang, Hangzhou	Container manufacturing, repair, maintenance	RMB297,762,000		63.33%

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Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage
						Direct

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

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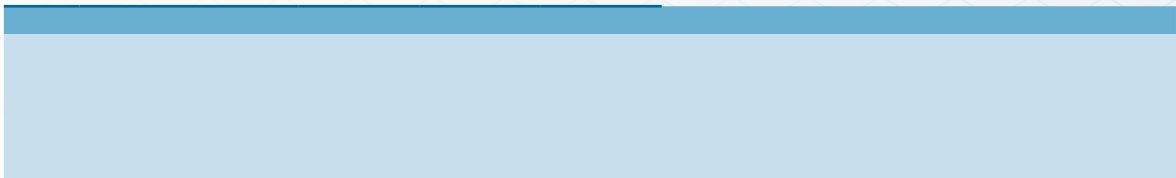
(All amounts in RMB'000 unless otherwise indicated)

(Except for the financial statements of subsidiaries)

Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and
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No.	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
88	China CIMC Aacgc Breeze C., Ltd. (China CIMC)	Breeze	China Jiangsu	China Jiangsu	Advanced container manufacturing	RMB80,000,000		50.31%
89	CIMC Ta da (Lga) Lde e Dde e C., Ltd.	Breeze	Lga Ha	Lga Ha	Tea g lde e, ae ae e ad, ea ae de e	RMB20,000,000		32.82%
90	Abeg Zege G bh (Be gl) Sae C., Ltd. (Zege)	Breeze	Be gl	Be gl	Fre c, re ce ce ad, ee a acce e, ac e e, ee a age	EUR1,500,000		60.00%
91	Se e CIMC Tec g C., Ltd. (Se e CIMC Tec g)	Breeze	Se e G agd g	Se e G agd g	A a ca de f			

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Financial statements are prepared in accordance with Chinese Accounting Standards for Enterprises (CASBE) as of December 31, 2017.
 (All amounts are in RMB'000 unless otherwise specified)
 (For details, please refer to the notes to the financial statements)

Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholder	Business scope
						-1490.189	-1.333 Tdp/Perntage61CIN

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Name	Category	Registration Place	Main Premises	Business scrdt009 .55
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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

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

(i) Domestic subsidiaries (Continued)

Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
						Direct	Indirect
110 Z a g a g CIMC3 Sct C, ge c e Mac e, C.,Ld.(3 Sct C, ge c)	B e e	Z a g a g	Z a g a g	Ma fact, e, ce a d ae f, ge c e, e, e ce ca e e a, d c a d e e a, e a ed a d, e, ce	RMB30,000,000		63.51%
111 Ta H g Be g Lea g C. Ld.(Ta H g Be g)	B e e	Ta	Ta	F Sca ea g	RMB170,000,000		51.00%
112 CIMC M da Ta , De e e C.,Ld. (CIMC M da Ta , De e e)	B e e	Se e	Se e	M da g c e, ce	RMB100,000,000		80.00%
113 Se e CIMC X a Tec g C.,Ld.(3 e e CIMC X a Tec g)	B e e	Se e	Se e	S fa e, f, a ec g e, ce	RMB100,000,000		81.30%
114 3 e e CIMCT gc a g C a C.,Ld. (3 e e CIMCT gc a g C a)	B e e	Se e	Se e	l, e e d g	RMB200,000,000		73.39%
115 CIMC Off ,eH d g C.,Ld (CIMC Off ,eH d g)	B e e	Se e	Se e	l, e e d g	RMB2,335,000,000	100.00%	
116 Se e CIMC Ta da J ae d ca Ref, ge a C., Ld(CIMC Ta da J)	B e e	Se e	Se e	P, d c fa a e, ge a e, e, ec g, a d e, b e	RMB50,000,000		38.29%

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No.	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
117	Ta Y g a g Mac e e Lea g C.L.d. (Ta Y g a g Mac e e)	B e e	Ta C a	Ta C a	F a c a e, ce	RMB6,500,000,000		15.00%
118	G a g d g CIMC B d g C c C.L.d. (G a g d g CIMC B d g C c)	B e e	G a g d g	G a g d g	M d e	RMB50,000,000		100.00%
119	CIMC Ka g L g c D e e C.L.d. (CIMC Ka g L g c D e e)	B e e	Na g Ja g	Na g Ja g	L g c e, ce	RMB150,000,000		51.00%
120	Ja g Ka g S g C.L.d. (Ja g Ka g)	B e e	Na g	Na g	L g c e, ce	RMB20,000,000		51.00%
121	CIMCE, c E g e (S) C., L.d. (CIMCE, c E g e (S))	B e e	Ja g	Ja g	E g e e d e g,			

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

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

(ii) Overseas subsidiaries (Continued)

No.	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
143	China Ra H d g L ed (C a Ra)	Private	Hong Kong, China	Hong Kong, China	Leasing and storage	HKD10,000		70.57%
144	China Beas E e L ed (C a Beas)	Private	Bahamas	Bahamas	Leasing and storage	USD50,000		63.33%
145	Savina H d g L ed (S a V)	Private	Hong Kong, China	Hong Kong, China	Leasing and storage	HKD1		100.00%
146	Starline H d g L ed (S t l n e)	Private	Bahamas	Bahamas	Leasing and storage	USD50,000		70.57%
147	Garda Limited (G a R a d)	Private	Hong Kong, China	Hong Kong, China	Leasing and storage	HKD1		100.00%
148	Pearl H d g L ed (P e a r l)	Private	Bahamas	Bahamas	Leasing and storage	USD10		100.00%
149	China Veas H d g U.A. (C h i n a V e a s H d g U.A.)	Private	Netherlands	Netherlands	Leasing and storage	EUR75,000,000		70.57%
150	Veas H d g B.V. (V e a s H d g B.V.)	Private	Netherlands	Netherlands	Leasing and storage	EUR90,000		70.57%
151	CIMC Factoring (HK) Limited (C I M C F a c t o r i n g (H K) L d.)	Private	Hong Kong, China	Hong Kong, China	Factoring	HKD500,000		100.00%
152	CIMC Offshore H d g L ed (C I M C O f f s h o r e)	Private	Hong Kong, China	Hong Kong, China	Leasing and storage	HKD2,234,855,000 Ad RMB1,000,000,000		85.00%
153	China CIMC U.A. (COOP) (C h i n a C I M C U.A. (C O O P))	Private	Netherlands	Netherlands	Leasing and storage	EUR25,500,000	99.00%	1.00%

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Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding
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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

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

(ii) Overseas subsidiaries (Continued)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
164	CIMC Maritime Shipping Services (Australia) Pty Ltd (MBS AU)	Wholly owned	Australia	Australia	Maritime	AUD500,000	100.00%	
165	EVERISE CAPITAL PTY LTD (EVERISE)	Wholly owned	Australia	Australia	Investment holding	AUD10	100.00%	
166	GLOBAL PLUS PTY LTD (GLOBAL)	Wholly owned	Australia	Australia	Investment holding	AUD1	100.00%	
167	HARVEST AVENUE PTY LTD (HARVEST)	Wholly owned	Australia	Australia	Investment holding	AUD1	100.00%	
168	CIMC Intelligence (Hong Kong) Co., Ltd. (CIMC Intelligence (Hong Kong))	Wholly owned	Hong Kong	Hong Kong	R&D Technology and Intellectual Property Development	HKD10,000	68.00%	
169	Adelaide Energy Ltd (Adelaide)	Wholly owned	Hong Kong	Hong Kong	Investment holding	HKD1	100.00%	
170	Galileo Ltd (Galileo)	Wholly owned	Hong Kong	Hong Kong	Investment holding	HKD1	100.00%	
171	Iliaea Access Ltd (Iliaea)	Wholly owned	Hong Kong	Hong Kong	Investment holding	HKD1	100.00%	

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(2) The following table provides details of the subsidiaries acquired through combinations under non-common control:

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

(i) Domestic subsidiaries

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No.	Name	Category	Registration Place	Main Premises	Business Scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
13	Donghai Container Terminal Services Co., Ltd. (DHCTS)	Wholly-owned	Sanya	Sanya	Container terminal operation, logistics, cargo handling, warehousing, cold chain; container leasing and other related services	USD4,500,000		70.00%
14	Yangtze Reefer Container Co., Ltd. (TLC)	Wholly-owned	Yangjiang	Yangjiang	Manufacture and refrigeration			

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Name	Category	Registration Place	Main Premises	Business Scope	Share capital issued and information of bonds	Shareholding percentage	
						Direct	Indirect

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

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

(i) Domestic subsidiaries (Continued)

No.	Name	Category	Registration Place	Main Premises	Business Scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
31	Zhejiang Gaoqi Co., Ltd. (Zhejiang Gaoqi)	Domestic	Taizhou	Taizhou	Container and cargo Drums, freight containers, etc.	USD51,956,000		75.00%
32	Xianghe Begleag Co., Ltd. (Xianghe Begleag)	Domestic	Xianghe, Henan	Xianghe, Henan	Facilities and equipment	USD21,300,000		51.00%
33	Taiwan Haoguang Co., Ltd. (Taiwan Haoguang)	Domestic	Taiwan	Taiwan	Construction, furniture, etc.	RMB145,000,000		45.00%
34	Taiwan Alaya Co., Ltd. (Taiwan Alaya)	Domestic	Taiwan	Taiwan	Leisure, etc.	RMB133,970,000		75.00%
35	Taiwan Baoye Co., Ltd. (Taiwan Baoye)	Domestic	Taiwan	Taiwan	Construction, etc.	RMB12,516,400		75.00%
36	Zhejiang Alaya Sogage Co., Ltd. (Zhejiang Alaya Sogage)	Domestic	Qingdao Shandong	Qingdao Shandong	Leisure, etc.	RMB10,000,000		75.00%
37	Taiwan Alaya Sogage Co., Ltd. (Taiwan Alaya Sogage)	Domestic	Taiwan	Taiwan	Leisure, etc.	RMB10,000,000		75.00%
38	Sagaya Alaya Sogage Co., Ltd. (Sagaya Alaya Sogage)	Domestic	Sagaya	Sagaya	Leisure, etc.	RMB10,000,000		75.00%

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No.	Name	Category	Registration Place	Main Premises	Business Scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
39	Zhejiang Daga (Taizhou) Container Co., Ltd. (Zhejiang Daga (Taizhou))	Wholly-owned	Taizhou	Taizhou	Container leasing and operation	RMB50,000,000		75.00%
40	Taizhou Zhehai Trade Bedding Co., Ltd. (Taizhou Zhehai Trade Bedding)	Wholly-owned	Taizhou	Taizhou	Textile and garment production			

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No.	Name	Category	Registration Place	Main Premises	Business Scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
46	Wuxi Xingfa Real Estate Co., Ltd. (Wuxi Xingfa Real Estate)	Wholly-owned	Wuxi, Jiangsu	Wuxi, Jiangsu	Sale and lease of real estate, construction of real estate, etc.	RMB25,000,000		45.69%
47	Wuxi Jialong (Wuxi) Co., Ltd. (WHRJL)	Wholly-owned	Wuxi, Jiangsu	Wuxi, Jiangsu	Sale and lease of real estate, construction of real estate, etc.	RMB20,492,100		83.12%
48	C&C (China) Co., Ltd. (C&C)	Wholly-owned	Wuxi, Jiangsu	Wuxi, Jiangsu	Sale and lease of real estate, construction of real estate, etc.	RMB1,570,000,000	70.06%	
49	Alfa (Group) Co., Ltd. (Alfa)	Wholly-owned	Xinjiang	Xinjiang	Manufacture and sale of agricultural machinery, etc.	RMB158,000,000		70.06%
50	Langha Engineering Co., Ltd. (Langha)	Wholly-owned	Wuxi, Jiangsu	Wuxi, Jiangsu	Engineering design, etc.			

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

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

(i) Domestic subsidiaries (Continued)

No.	Name	Category	Registration Place	Main Premises	Business Scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
52	S W (Be g) I e a a L g c C., L d (S W (Be g L g c)	B e e	Be g	Be g	I e a a F e g i a i a g e , g e e a c a g i a i	RMB30,000,000		50.00%
53	Q g d a L d a C e c a C., L d. (Q g d a L d a C e c a)	B e e	S a d g	S a d g	M a f f a c t , e a d a e f e a a i d c . P , d c a d a e ; f i b b e a , a c a a d a e b i e c a g	RMB30,000,000		59.47%
54	Z e g L g c A a c B e e S e C., L d. (Z e g L g c)	B e e	Z e g , H e a	Z e g , H e a	R & D a d a f a c t , e f i e	RMB20,000,000		54.70%
55	Q g d a L d a N e i b b e & P a c P , d c C., L d. (Q g d a L d a N e i b b e & P a c P , d c)	B e e	S a d g	S a d g	M a f f a c t , e a d a e f i b b e a , a c a , e a c t i e , R & D f c a e a	RMB1,000,000		59.47%
56	S a c f c O f f i e & E g e e g C., L T D. (S O E)	B e e	N a g	N a g	T a i a a d i a g e f e f e d g a f f i e a d g a d i , a f a c t i g f g e d e e i c a f f i e a e . a e d e a d c a g e	RMB1,023,966,800		70.57%
57	Be g C I M C T a e g T e c g C., L T D. (Be g C I M C T a e g T e c g)	B e e	Be g	Be g	I e g a e d d g	RMB20,000,000		50.00%

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

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

(ii) Overseas subsidiaries

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
58	CIMCR (Singapore) Pte. Ltd. (CIMCR (Singapore))	Wholly owned	Singapore	Singapore	Sea freight	AUD50,000		74.33%

59

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(All figures are rounded to the nearest RMB'000, unless otherwise indicated)
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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

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

(ii) Overseas subsidiaries (Continued)

No.	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
69	Hubei Teer B.V.	Foreign	Netherlands	Netherlands	Production and sale of automobile parts	EUR45,378,020	100.00%	
70	Beijing Sequoia B.V.	Foreign	Netherlands	Netherlands	Advertising, public relations and advertising	EUR150,000	70.57%	
71	LAG Trade N.V.	Foreign	Belgium	Belgium	Manufacturing of gears	EUR3,245,000	63.33%	
72	Zebra Helix A N.V.	Foreign	Belgium	Belgium	Production of gears	EUR991,600	70.57%	
73	IL Beijing N.V. B.V.	Foreign	Belgium	Belgium	Production of gears	EUR248,000	63.33%	
74	Zebra Helix A/S	Foreign	Denmark	Denmark	Production of gears	DKK1,000,000	70.57%	
75	Decora LLC (DCEC)	Foreign	USA	USA	Manufacturing of automobile accessories	USD10,000,000	63.33%	
76	CIMCTGE Galle SA (TGE SA)	Foreign	Belgium	Belgium	Leasing	EUR50,000	60.00%	
77	TGE Galle Energy GmbH (TGE Galle Energy GmbH)	Foreign	Germany	Germany	Production of EP+CS (Dehydration and drying of coal) for use in power generation, including LNG, LPG and other gas	EUR1,000,000	60.00%	

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

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

(ii) Overseas subsidiaries (Continued)

No.	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
78	CIMC Raffle Off (S ga)L ed (Off (S ga))	B e e	S ga ,e	S ga ,e	Pi d c f a f f ,e a d ga , d g ac d g a f , e b e b e d g P a f , FPSO , FSO	SGD594,416,915 USD303,122,013		85.00%
79	CIMC Raffle L ed	B e e	H gK g C a	H gK g C a	L e e d g	HKD2		85.00%
80	CIMC Raffle Lea gP e.L.d.	B e e	S ga ,e	S ga ,e	Lea g f a e	SGD2		85.00%
81	Ca a D e P e.L.d.	B e e	S ga ,e	S ga ,e	Lea g f a e	USD30,000,000		85.00%
82	Tec d e l e a a L ed (Tec d e)	B e e	U ed K gd	U ed K gd	Re ea c a d d e e e f e e g e	GBP100		60.00%
83	Gad dae AB.	B e e	S ede	S ede	L e e d g	SEK1,000,000		85.00%
84	Pe fec Vc , L ed (Pe fec Vc)	B e e	H gK g C a	H gK g C a	L e e d g	USD1		100.00%
85	Ze a H l , e a G bH (Ze a H l , e a G bH)	B e e	Ge a	Ge a	De g , r d c a d a e f b e e f e e a a c e	EUR16,000,000		70.57%
86	A b e Ze g e G bH (Ze g e)	B e e	Ge a	Ge a	De g a f M a e e g e e g	EUR13,543,000		60.00%

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No.	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
87	Ba eTec g AB (Ba e)	B e e	S ede	S ede	De g a fMa, e e g ee g	SEK1,000,000		100.00%
88	CIMC MBS LIMITED (Ve S e)	B e e	U ed K gd	U ed K gd	M d e	GBP3,884,303		100.00%
89	Z e a g c (H g g) C .,L.d.(Z e a H g g)	B e e	H gK g, C a	H gK g, C a	L g c	USD6,600,000		75.00%
90	CIMC a a R adT a e P Ld(A a a R adT a e P)	B e e	A ,a a	A ,a a	I e e d g	AUD8,300,000		63.33%
91	B, ga e l e a a H d g L ed(B, ga e I e a a H d g)	B e e	H gK g, C a	H gK g, C a	I e e d g	HKD10,000,000		70.00%
92	B, ga e Seq, ce L ed (H g g B, ga e Seq, ce)	B e e	H gK g, C a	H gK g, C a	C a e, e a, a d e l a ,c a e ade	HKD5,000,000		75.00%

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

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

(ii) Overseas subsidiaries (Continued)

No.	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
96	Veit Sea Ltd (VSL)	British	United Kingdom	United Kingdom	Merchant	GBP1		100.00%
97	Bigggs Limited	British	United Kingdom	United Kingdom	Beerdair, aircraft, equipment, building, dredging, dredging, etc.	GBP3,385,000		70.57%
98	Rea Manufacturing Limited	British	United Kingdom	United Kingdom	Production, etc.	GBP692,041		63.33%

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(4) Subsidiaries with significant minority interests

	Minority interests	Net Profit attribute to minority interests in 2017	Dividends distributed to minority interests in 2017	Grand total Minority Interests on 31 December 2017
E, c	29.43%	154,391	2,022	1,825,025
CIMC Off, e	15.00%	(402)		917,757
CIMC C a c e g	38.50%	88,873		944,003

C, e f a c a f, a f a f, e e ed g f c a b - ed b d a, e a e a f :

	As at 31 December 2017					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
E, c	10,305,316	3,861,903	14,167,219	7,668,853	637,388	8,306,241
CIMC Off, e	986,501	4,190,144	5,176,645	62,290	-	62,290
CIMC C a c e g	4,624,339	344,794	4,969,133	2,361,595	268,963	2,630,558

	A a 31 Dece be, 2016					
	C, e a e	N - c, e a e	T a a e	C, e a b e	N - c, e a b e	T a a b e
E, c	9,542,728	3,345,695	12,888,423	5,735,979	1,850,379	7,586,358
CIMC Off, e	9,322	4,484,063	4,493,385	71,171		7,586,358

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(5) Significant partial disposal of subsidiary equity in current year (not losing control)

The following table shows the disposal of equity in subsidiaries (in RMB'000).

(6) The acquisition of significant minority interests in the current year.

(i) As at 17 July 2017, the Group's subsidiary CIMCC acquired the 25% equity interest in Gaode Real Estate Company Limited ("Gaode Real Estate") from CIMCC for RMB926,322,000, resulting in the Group's ownership of Gaode Real Estate increasing from 25% to 82% from 61.5%.

The difference between the carrying amount of the equity interest disposed of and the fair value of the equity interest acquired is RMB301,846,000, which is recorded in other income.

(ii) As at December 7, 2016, the Group's subsidiary Lueda (Limited Partnership) ("Lueda") acquired 15% equity interest in CIMC Offshore from CIMC Offshore for RMB984,258,000, resulting in the Group's ownership of CIMC Offshore increasing from 85% to 100%.

The difference between the carrying amount of the equity interest disposed of and the fair value of the equity interest acquired is RMB698,253,000, which is recorded in other income.

(iii) As at March 5, 2017, the Group's subsidiary Mide Logistics and CIMC Kaiguan Logistics Development Company Limited ("Mide Logistics") acquired 100% equity interest in CIMC Kaiguan Logistics Development Company Limited ("CIMC Kaiguan Logistics") from CIMC Kaiguan Logistics for RMB34,300,000.

(iv) As at March 28, 2017, the Group's subsidiary Seelue Management Company Limited ("Seelue Management") acquired 3.82% equity interest in C&C Truck from CIMC Kaiguan Logistics for RMB81,616,000. The Group's ownership of C&C Truck increased from 66.24% to 70.06%.

The difference between the carrying amount of the equity interest disposed of and the fair value of the equity interest acquired is RMB78,103,000, which is recorded in other income.

(v) As at July 2017, the Group's subsidiary CIMCC acquired 40% equity interest in Yagag from Yagag for RMB169,024,000. The Group's ownership of Yagag increased from 100% to 140%.

The difference between the carrying amount of the equity interest disposed of and the fair value of the equity interest acquired is RMB13,766,000, which is recorded in other income.

(vi) As at July 14, 2017, SZLue Management Company Limited ("SZLue Management") acquired 100% equity interest in SZLue Management Company Limited ("SZLue Management") from SZLue Management Company Limited ("SZLue Management") for RMB13,766,000.

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

2. Equity in associates and joint ventures

(1) Basic information of major associates and joint ventures

Main Premises

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VI.

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

2. Equity in associates and joint ventures (Continued)

(3) Core financial information of major associates

	LiHua Energy		Shanghai Fengyang		TSC		Jiahua Shipping		China Fire Safety		Shouzhong Investment	
	31 December 2017	31 Dece be, 2016	31 December 2017	31 Dece be, 2016	31 December 2017	31 Dece be, 2016	31 December 2017	31 Dece be, 2016	31 December 2017	31 Dece be, 2016	31 December 2017	31 Dece be, 2016
Ca a ba ad												
ad	8,772	44,908	30,425	104,944	90,238	190,589	96,552	96,552	124,707	132,576	24,608	16,413
O e d, e a e	940,834	833,315	819,426	462,820	2,630,219	2,739,011	46,822	46,822	661,697	468,249	291,230	176,743
T a d, e a e	949,606	878,223	849,851	567,764	2,720,457	2,929,600	143,374	143,374	786,404	600,825	315,838	193,156
T a d, e a e	705,772	688,979	50,775	45,782	631,744	776,956	1,089,581	1,089,581	787,180	724,783	109,141	69,577
T a A e	1,655,378	1,567,202	900,626	613,546	3,352,201	3,706,556	1,232,955	1,232,955	1,573,584	1,325,608	424,979	262,733
O, e ab e	679,996	702,131	623,129	354,154	1,957,621	1,949,175	152,448	152,448	331,117	241,436	11,583	1,010
N d, e ab e	255,035	209,256	-	-	109,804	313,488	658,995	658,995	-	-	-	-
T a ab e	935,031	911,387	623,129	354,154	2,067,425	2,262,663	811,443	811,443	331,117	241,436	11,583	1,010

	LiHua Energy		Shanghai Fengyang		TSC		Jiahua Shipping		China Fire Safety		Shouzhong Investment	
	31 December 2017	31 Dece be, 2016	31 December 2017	31 Dece be, 2016	31 December 2017	31 Dece be, 2016	31 December 2017	31 Dece be, 2016	31 December 2017	31 Dece be, 2016	31 December 2017	31 Dece be, 2016
M, e a e de, 'e	-	-	-	-	1,893	13,182	-	-	-	-	-	-
T a d, a, d ab e a e de, f e C a	720,347	655,815	277,497	259,392	1,282,883	1,430,711	421,512	421,512	1,242,467	1,084,172	413,396	261,723
Ad, e acc, d g fa, a e f e de fa be a e a d G d	-	-	1,085	1,085	155,764	155,764	-	-	533,410	533,410	-	-
T a d, a, d ab e a e de, f e c a (ad, ed)	720,347	655,815	278,582	260,477	1,438,647	1,586,475	421,512	421,512	1,775,877	1,617,582	413,396	261,723
S a e d g, a	15.58%	15.58%	40.00%	40.00%	13.12%	13.42%	30.00%	30.00%	30.00%	30.00%	45.00%	45.00%
Ne a e, r ca, a e d b a e d g, a ()	112,230	102,176	111,433	104,191	193,066	212,905	126,454	126,454	532,763	485,275	186,028	117,775
Ca, r, ga, f e e e a ca e	112,230	102,176	111,433	104,191	193,066	212,905	126,454	126,454	532,763	485,275	186,028	117,775
Fa, a e f, e e a ca e d c f e	-	-	-	-	65,937	92,144	-	-	383,549	300,995	-	-

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

2. Equity in associates and joint ventures (Continued)

(3) Core financial information of major associates (Continued)



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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

2. Equity in associates and joint ventures (Continued)

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

	2017	2016
Joint ventures:		
At the end of the reporting period, 31 December 2017	246,402	229,293
Subscribed but not yet paid up:		
Net investment	19,624	16,828
Other receivables	-	-
Trade receivables	19,624	16,828
Associates:		
At the end of the reporting period, 31 December 2017	611,209	512,941
Subscribed but not yet paid up:		
Net investment	(29,235)	10,760
Other receivables	-	-
Trade receivables	(29,235)	10,760

(1) The above figures are based on the information provided by the associates and joint ventures, and are subject to audit.

(5) Excess deficit of associates and joint ventures

The above excess deficit of associates and joint ventures is for 2017.

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

The following structured body is included in the consolidation range of the consolidated financial statements.

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(All figures are expressed in RMB'000 unless otherwise specified)
 (Except for the figures in parentheses, all figures are in million RMB)

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Information of other related parties

Company name			
SUMITOMO CORPORATION	100%	100%	100%
Sa Heq D A b e	100%	100%	100%
Qe l e a a	100%	100%	100%
FML	100%	100%	100%
Ga f	100%	100%	100%
FCC	100%	100%	100%
A a T ad g C ., L d	100%	100%	100%
Qe a l e a a C a e (J) L ed	100%	100%	100%
FCS	100%	100%	100%
FCI	100%	100%	100%
Ea e l e a a C a e (G a g) L ed	100%	100%	100%

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions

The following table summarizes related party transactions entered into by the Company and its subsidiaries during the reporting period.

(1) Purchase of goods and receiving of services

The Group

Name	Nature of transaction	2017 Amount	2016 Amount
Y&CE Group	Purchase of goods	557,315	301,945
Sa Hea Da Abbe	Purchase of goods	236,412	101,317
Ningbo Gage	Purchase of goods	149,041	67,117
Qinghai Bab	Purchase of goods	136,819	42,536
Xinwei	Purchase of goods	126,447	65,225
Zhejiang Xing Bab	Purchase of goods	105,467	
Shanghai	Purchase of goods	66,700	76,521
SUMITOMO CORPORATION	Purchase of goods	14,797	13,670
TSC	Purchase of goods	7,113	53,877
Antarctica Co., Ltd	Purchase of goods	6,313	19,117
Other related parties	Purchase of goods	20,456	20,440
Sub-total	Purchase of goods	1,426,880	761,765
Other related parties	Receiving of services	26,151	7,369

The Company

The following table summarizes related party transactions entered into by the Company during the reporting period (Refer to Note VIII.5(4)).

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(2) Sales of goods and rendering of services

The Group

Name	Nature of transaction	2017 Amount	2016 Amount
Sa Heq D A b e	Related party	733,497	247,240
OOS-I e a a B.V.	Related party	385,375	
FCI	Related party	372,760	
FCS	Related party	171,003	
SUMITOMO CORPORATION	Related party	108,475	159,688
Z e a g X g Ba b	Related party	78,943	
Q e l e a a	Related party	74,953	42,518
FML	Related party	56,913	124,800
Ea e l e a a C a e (D a g)	Related party	46,354	8,866
N g a C a g g	Related party	44,589	8,645
FCC	Related party	40,179	22,700
Q e a l e a a C a e (J) L ed	Related party	22,890	19,454
NYK Z e a	Related party	602	228
D a g S e L g c	Related party	-	8,359
O e e a e d a e	Related party	45,455	18,911
S b- a	Related party	2,181,988	661,409
O e e a e d a e	Rendering of service	31,365	31,404

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(3) Financing

The Group

Name	Amount	Settlement date	End date	Interest income earned/ interest expense recognized in 2017	Notes
Financing received					
Guangfeng	51,329	19 September 2008	Repayment completed	1,040	Long-term payable
	51,329				
Financing provided					
Recreation	331,250	31 December 2012	Repayment completed	3,460	Long-term payable
Saga Feiga	34,204	25 December 2007	Repayment completed	-	Long-term payable
Saga Xbar	12,408	20 October 2017	20 January 2018	108	Long-term payable
Nagney Aac	13,813	24 January 2017 27 February 2017 27 December 2017	24 January 2018 27 February 2018 27 February 2018	918	Long-term payable
Xagw dit	4,075	20 June 2006	Repayment completed	-	Long-term payable
	395,750				

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(4) Other related party transactions

(i) The Company adopted a share option scheme on 28 September 2010 (see Note IX). Details of the share options granted to the directors and key management personnel as at 31 December 2017 are as follows:

Name	Position	Number of granted share options (in'0000)
Ma Baogang	President, Executive Director	285
Wu Fahe	Vice Chairman	75
Li Yuhang	Vice Chairman	75
Yan Yaobang	Vice Chairman	65
Liu Xuebin	Vice Chairman	100
Zhang Baogang	Vice Chairman	75
Gao Xiang	Vice Chairman	38
Zhang Haifeng	General Manager of Finance Management Department	29
Wang Yuhang	Secretary of the Board	75
Total		817

Share options were exercised by the directors and key management personnel of the Company as follows:

Name	Position	Number of granted share options (in'0000)
Wu Fahe	Vice Chairman	50
Yan Yaobang	Vice Chairman	25
Gao Xiang	Vice Chairman	190
Zhang Haifeng	General Manager of Finance Department	25
Wang Yuhang	Secretary of the Board	129.8
Total		419.8

Note: After the adoption of the share option scheme by the Board of Directors of the Company in 2010, Mr. Jiang Jie was granted 50,000 share options by the Company in 2010. Mr. Jiang Jie resigned from the Company in 2011 and the share options were forfeited.

On 31 December 2017, Mr. Jiang Jie had 516,000 share options outstanding.

The Company has no share options outstanding as at 31 December 2017.

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(4) Other related party transactions (Continued)

(ii) Emoluments of the directors, supervisor and senior management of the Company (Continued)

Director, Supervisor and Senior Management's remuneration for the period ended 31 December 2017 are as follows (Continued):

Name	Remuneration	Emoluments for other management service of the Company or subsidiaries				Total
		Salary and allowance	Pension	Bonus	Others	
Supervisors						
Xiang B	-	245	42	48	13	348
Zhang Meng	-	-	-	-	-	-
Li Segang (N/A)	-	-	-	-	-	-
Wang Hong	-	-	-	-	-	-
Total	-	245	42	48	13	348

(N/A): On 26 September 2017, a resolution was passed by the Board of Directors of the Company to appoint Mr. Li Segang as a director of the Company. Mr. Wang Hong was appointed as a director of the Company on 28 September 2017.

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(4) Other related party transactions (Continued)

(ii) Emoluments of the directors, supervisor and senior management of the Company (Continued)

Directors, supervisors and senior management of the Company received the following emoluments for the period ended 31 December, 2017 as follows (Continued):

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(4) Other related party transactions (Continued)

(ii) Emoluments of the directors, supervisor and senior management of the Company (Continued)

Dir ec r , e e r ' a d e e a age e e e' e e f, e ea, e ded 31 Dece be, 2016 a e a f :

Na e	Re e a	E e f, e a age e e ce f e C a r b da e					T a
		Saa a d a a ce	Pe	B	O e		
Directors							
Wa g H g							
Z a g La g	N e ()						
Wa g a g	N e ()						
Ma B a g		2,660	64	2,805	444	5,973	
W S g	N e ()						
Wa g Z a	N e ()						
L C g	N e ()						
Pa C e g e		200				200	
Wa g d		200				200	
L Ke	N e ()						
Pa Z e g	N e ()	200				200	
S b- a		600	2,660	64	2,805	444	6,573

N e (): O 31 Ma 2016 a r L ed b e 2015 a a ge e a ee g f e C a , M, Z a g La g, M, W S g a d M, L Ke, e g ed e e a f e, e f f ce.

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(4) Other related party transactions (Continued)

(ii) Emoluments of the directors, supervisor and senior management of the Company (Continued)

Directors, supervisors and senior management of the Company received the following emoluments for the period ended 31 December 2016, as follows (in RMB):

Name	Relationship	Emoluments received				Total
		Salary and allowance	Perquisites	Benefits	Others	
Supervisors						
He Jae	None					
Xiang B		236	39	54	12	341
Liu W	None, ()					
Zhang M	None					
Li Seg	None					
Sub-total		236	39	54	12	341

None: On 31 March 2016, as resolved by the 2015 Annual General Meeting of the Company, Mr. Wang Zhaodong was appointed as a director, Mr. Liu Cheng was appointed as a supervisor, Mr. Li Seg was appointed as a director, Mr. Zhang M was appointed as a director, Mr. Pa Zhen was appointed as a director, Mr. Wang Zhaodong was appointed as a director, Mr. Wang Zhaodong was appointed as a director, Mr. Wang Zhaodong was appointed as a director.

None: On 31 March 2016, as resolved by the 2015 Annual General Meeting of the Company, Mr. Wang Zhaodong was appointed as a director, Mr. He Jae was appointed as a director, Mr. Wang Zhaodong was appointed as a director, Mr. Wang Zhaodong was appointed as a director, Mr. Wang Zhaodong was appointed as a director, Mr. Wang Zhaodong was appointed as a director, Mr. Wang Zhaodong was appointed as a director.

None: On 20 December 2016, as resolved by the 11th Board Meeting of the Company, Mr. Liu W was appointed as a director, Mr. Liu W was appointed as a director, Mr. Liu W was appointed as a director, Mr. Liu W was appointed as a director, Mr. Liu W was appointed as a director, Mr. Liu W was appointed as a director, Mr. Liu W was appointed as a director.

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(4) Other related party transactions (Continued)

(ii) Emoluments of the directors, supervisor and senior management of the Company (Continued)

Directors, supervisors and senior management of the Company aged 60 years or over as at 31 December 2016 are as follows (Continued):

Name	Relationship	Emoluments received during the year				Total
		Salary and allowance	Perquisites	Benefits	Others	
Other Senior Executives						
Wang Fahe		1,325	107	1,220	31	2,683
Li Yuhua		886	105	1,130	31	2,152
Li Xuebin		1,379	107	1,220	31	2,737
Zhang Baogang		1,325	92	1,220	25	2,662
Wang Ya		864		1,220		2,084
Gao Xiang		1,439	89	620	22	2,170
Jiang Jiaogang		1,325		1,140		2,465
Yang Ronggang	None()	1,013	71	660	31	1,775
Wang Ya		1,444	64	1,100	31	2,639
Sub-total		11,000	635	9,530	202	21,367
Total		600	13,896	738	12,389	28,281

None(): Affected by the effect of the company's share repurchase plan in 2016, Mr. Zhang Baogang's remuneration was reduced by RMB1,000,000 due to the company's share repurchase plan.

The related party transactions were approved by the Board of Directors in 2016.

Other benefits are calculated based on the company's policy, including medical insurance, etc.

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (C

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IX. SHARE-BASED PAYMENTS

1. Information about share-based payments

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IX. SHARE-BASED PAYMENTS (CONTINUED)

2. Information on equity-settled share-based payment

(1) Information on share-based payment of Enric

Enric established a share-based payment plan, which was approved by the shareholders' meeting on 11 November 2009. According to the plan, the share-based payment plan is to grant Enric share-based payments of 50% of the share-based payments of the company and 100% of the share-based payments of the company. Each year, the share-based payments of the company are HKD4 million.

Enric established a share-based payment plan, which was approved by the shareholders' meeting on 28 October 2011. According to the plan, the share-based payments of the company are to grant Enric share-based payments of 40% of the share-based payments of the company, 70% of the share-based payments of the company, and 100% of the share-based payments of the company. Each year, the share-based payments of the company are HKD2.48 million.

Enric established a share-based payment plan, which was approved by the shareholders' meeting on 5 June 2014. According to the plan, the share-based payments of the company are to grant Enric share-based payments of 40% of the share-based payments of the company, 70% of the share-based payments of the company, and 100% of the share-based payments of the company. Each year, the share-based payments of the company are HKD11.24 million.

Summary of the share-based payments of Enric:

	2017 '000	2016 '000
Beginning balance	83,572	86,599
Expenses incurred	(5,814)	(1,211)
Cash paid	(417)	(1,776)
Forfeited	(967)	(40)
Ending balance	76,374	83,572

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(A a F, e ea, e ded 31 Dece be, 2017
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IX. SHARE-BASED PAYMENTS (CONTINUED)

2. Information on equity-settled share-based payment (Continued)

(2) Information on equity-settled share-based payment of the Company

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IX. SHARE-BASED PAYMENTS (CONTINUED)

2. Information on equity-settled share-based payment (Continued)

(2) Information on share-based payment of the Company (Continued)

Measurement of share-based payment:

	2017 '000	2016 '000
Beginning balance	25,229	25,986
Expired share-based payment	(4,312)	(757)
Ending balance	20,917	25,229

(3) Basis of the best estimate of the number of equity instruments expected to vest is as follows:

At each balance sheet date, the company estimates the number of equity instruments expected to vest based on the best estimate of the number of equity instruments expected to vest. The company uses the best estimate of the number of equity instruments expected to vest as the basis for measuring the share-based payment expense.

The following table shows the change in the number of equity instruments expected to vest:

At 31 December 2017, Accounting for share-based payment	400,716
The change in accounting for share-based payment is as follows:	
Issued share-based payment	16,324
Issued share-based payment	16,324

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X. CONTINGENCIES

1. Contingent liabilities

CIMC Raffaele, a subsidiary of the Group, engaged a financial institution to provide a letter of credit in connection with a contract. The letter of credit was issued by CIMC Raffaele in favor of the counterparty, with a maximum amount of USD37,400,000 (equivalent to RMB244,379,000). As of 31 December 2016, CIMC Raffaele had a balance of USD\$18,700,000 (equivalent to RMB122,189,000) due to the counterparty. The amount of the letter of credit is fully covered by the counterparty's assets.

YZTH, a subsidiary of the Group, entered into a contract with a counterparty for the purchase of goods. The counterparty provided a letter of credit in favor of YZTH, with a maximum amount of RMB3,096,000 (31 December 2016: RMB19,778,000) as of the reporting date. The counterparty's assets are sufficient to cover the letter of credit.

2. Guarantees provided for external parties

CIMC Raffaele, a subsidiary of the Group, provided a guarantee for the counterparty's bank loan. As of 31 December 2017, the amount of the guarantee provided by CIMC Raffaele was RMB258,646,000 (31 December 2016: RMB382,000,000).

CIMC Venice Group, a subsidiary of the Group, engaged a financial institution to provide a letter of credit in connection with a contract. The counterparty provided a letter of credit in favor of CIMC Venice Group, with a maximum amount of RMB3,096,000 (31 December 2016: RMB19,778,000) as of the reporting date. The counterparty's assets are sufficient to cover the letter of credit.

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X. CONTINGENCIES (CONTINUED)

3. Notes payable issued but not accounted for, outstanding letter of credit issued but undue and outstanding performance guarantees

The decrease in contingent liabilities reflected in the consolidated statement of financial position is due to the expiration of letters of credit issued but not accounted for. As at 31 December 2017, the amount of letters of credit issued but not accounted for was RMB4,180,000 and decreased to RMB274,253,000, a decrease of RMB278,433,000 (31 December 2016: RMB1,143,013,000).

As at 31 December 2017, the amount of letters of credit issued but not accounted for was RMB779,996,000 and USD30,000,000 (equivalent to RMB196,026,000), a decrease of RMB976,022,000 (31 December 2016: RMB1,053,740,000).

As at 31 December 2017, the amount of letters of credit issued but not accounted for was RMB90,121,000, of which the amount of letters of credit issued but not accounted for was RMB59,349,000, the amount of letters of credit issued but not accounted for was RMB10,440,000, and the amount of letters of credit issued but not accounted for was RMB6,950,000, the amount of letters of credit issued but not accounted for was RMB6,000,000, the amount of letters of credit issued but not accounted for was RMB4,073,000, the amount of letters of credit issued but not accounted for was RMB1,950,000, the amount of letters of credit issued but not accounted for was RMB1,299,000, and the amount of letters of credit issued but not accounted for was 60,000 (31 December 2016: RMB55,889,000).

As at 31 December 2017, the amount of letters of credit issued but not accounted for was RMB857,578,000, of which the amount of letters of credit issued but not accounted for was RMB409,001,000, and the amount of letters of credit issued but not accounted for was RMB281,602,000. The amount of letters of credit issued but not accounted for was RMB68,991,000, the amount of letters of credit issued but not accounted for was RMB16,842,000, the amount of letters of credit issued but not accounted for was RMB41,679,000, the amount of letters of credit issued but not accounted for was RMB2,214,000, and the amount of letters of credit issued but not accounted for was RMB37,249,000 (31 December 2016: RMB682,818,000).

As at 31 December 2017, CIMC Engineering and Construction issued letters of credit issued but not accounted for of RMB994,460,000, of which the amount of letters of credit issued but not accounted for was RMB382,927,000, and the amount of letters of credit issued but not accounted for was RMB329,295,000, the amount of letters of credit issued but not accounted for was RMB154,849,000, the amount of letters of credit issued but not accounted for was RMB113,667,000, the amount of letters of credit issued but not accounted for was RMB5,923,000, and the amount of letters of credit issued but not accounted for was RMB7,799,000 (31 December 2016: RMB779,018,000).

As at 31 December 2017, CIMC Raffles issued letters of credit issued but not accounted for of US\$3,110,000 (equivalent to RMB20,321,000), of which the amount of letters of credit issued but not accounted for was US\$310,000 (equivalent to RMB2,025,000). The amount of letters of credit issued but not accounted for was USD2,800,000 (equivalent to RMB18,296,000) (31 December 2016: RMB905,730,000).

As at 31 December 2017, CIMC Finance Company issued letters of credit issued but not accounted for of RMB7,559,000, the amount of letters of credit issued but not accounted for was RMB476,000, and the amount of letters of credit issued but not accounted for was RMB4,000,000, the amount of letters of credit issued but not accounted for was RMB2,000,000, and the amount of letters of credit issued but not accounted for was RMB1,083,000 (31 December 2016: RMB28,396,000).

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X. CONTINGENCIES (CONTINUED)

4. Significant pending litigations

On 23 January 2018, Sagana Navigation Limited (Sagana) (2016) Sagana Maritime No. 473 Qidong, Sagana Xuzhou Shipping Management Co., Ltd. (Sagana Xuzhou) filed a lawsuit against Sagana Navigation Trade Co., Ltd. and Nanyang Pacific Co., Ltd., alleging that Sagana Xuzhou had deceived Sagana Maritime No. 473 Qidong in the purchase of shares. The lawsuit is currently pending in court. As of 31 December 2017, the company has not received any legal notice. As of 31 December 2017, the company has not received any legal notice of RMB102,525,000.

XI. COMMITMENTS

1. Significant commitments

(1) Capital commitments

	2017	2016
Significant capital commitments as at the end of the reporting period	98,366	108,730
Less: Capital commitments for the acquisition of property, plant and equipment	10	129,423
Significant capital commitments for the acquisition of property, plant and equipment	44,342	179,633
Total	142,718	417,786

(2) Operating lease commitments

The following table shows the details of the operating lease commitments as at the end of the reporting period:

	2017	2016
Within 1 year (inclusive)	54,387	45,683
Over 1 year but not more than 2 years (inclusive)	24,211	26,155
Over 2 years but not more than 3 years (inclusive)	10,288	20,690
Over 3 years	49,855	49,420
Total	138,741	141,948

Operating lease commitments as at the end of 2017 amounted to RMB78,490,000 (2016: RMB88,124,000).

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XII. EVENTS AFTER THE BALANCE SHEET DATE

1. Dividend distribution after the balance sheet date

Dividend (Note 1)	805,380
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(1) Dividend for ordinary shares proposed after the balance sheet date

On 27 March 2018, the Board of Directors proposed to distribute a cash dividend of RMB0.27 per share, based on the total number of shares outstanding as at 31 December 2017, amounting to RMB805,380,000 (2016: RMB0.06 per share, based on RMB179,887,000). The dividend will be paid in cash to the shareholders of record as at the record date.

2. Revision of accounting policy

In 2017, the Company has revised its accounting policies in accordance with the new standards issued by the Ministry of Finance of the PRC, including the new standards for financial instruments, hedge accounting, and the new standards for the classification and measurement of financial assets and liabilities. The Company has also revised its accounting policy for the recognition and measurement of financial assets and liabilities, and the recognition and measurement of financial assets and liabilities at fair value. The Company has also revised its accounting policy for the recognition and measurement of financial assets and liabilities at fair value.

The new standards for financial instruments, hedge accounting, and the new standards for the classification and measurement of financial assets and liabilities are effective from January 1, 2018. The Company has applied these new standards retrospectively from January 1, 2018. The impact of the new standards on the Company's financial statements is as follows: (1) The new standards for financial instruments have resulted in an increase in the carrying amount of financial assets and liabilities measured at fair value. (2) The new standards for hedge accounting have resulted in an increase in the carrying amount of financial assets and liabilities measured at fair value. (3) The new standards for the classification and measurement of financial assets and liabilities have resulted in an increase in the carrying amount of financial assets and liabilities measured at fair value.

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XIII. SEGMENT REPORTING

The following table provides a breakdown of the Group's operating segments, which are defined as the smallest identifiable components of the Group that engage in business activities and for which separate financial information is available and is regularly reviewed by the Group's management. Each segment is managed as if it were an independent business entity. The Group's operating segments are defined as follows:

1. Segment profits, losses, assets and liabilities

The following table provides a breakdown of the Group's operating segments, which are defined as the smallest identifiable components of the Group that engage in business activities and for which separate financial information is available and is regularly reviewed by the Group's management.

Segment assets include property, plant and equipment, right-of-use assets, intangible assets, and other assets. Segment liabilities include accounts payable, accounts receivable, and other liabilities.

Segment revenue includes revenue from sales of containers, leasing of containers, and other services. Segment expenses include cost of sales, depreciation and amortization, and other expenses.

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XIII. SEGMENT REPORTING (CONTINUED)

1. Segment profits, losses, assets and liabilities (Continued)

The following table sets out the segment information for each of the Group's reportable segments (defined as segments that are identified for internal management purposes) as at and for the periods ended 31 December 2017 and 2016. The segment information is presented in the following table:

Item	Energy and										Elimination between segments	Total
	Containers	Road transportation vehicles	chemistry & food equipment	Offshore business	Airport facilities	Logistic services	Finance	Property development	Heavy trucks	Others		
	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017
Operating profit	24,936,966	19,312,933	11,649,409	1,241,605	3,592,934	8,128,290	2,339,934	986,797	2,516,229	1,594,833	-	76,299,930
Operating loss	109,731	207,731	196,791	1,243,812	3,577	67,162	707	19,995	49,516	1,524,504	(3,423,526)	-
Operating profit/loss	20,772,143	15,729,623	9,496,115	2,451,403	2,793,427	7,387,048	896,360	584,561	2,413,675	2,908,088	(3,840,046)	61,592,397

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XIII. SEGMENT REPORTING (CONTINUED)

1. Segment profits, losses, assets and liabilities (Continued)

The following table details each of the Group's reportable segments (classified as segments for management purposes) and the accounting policies applied to each segment. The Group's reportable segments are defined as follows (continued):

Item	Reportable Segment										Total	
	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016
Operating income	10,521,948	14,462,631	9,093,044	459,747	3,213,229	7,081,494	2,302,412	895,106	1,641,820	1,440,221		51,111,652
Operating expenses	545,051	232,051	260,742	3,845,883		47,962		(172,016)	83,946	779,355	(5,622,974)	
Financial income	9,672,008	11,838,314	7,414,373	3,809,783	2,496,377	6,300,173	1,012,075	379,143	1,685,239	1,930,739	(5,519,215)	41,019,009
Other income/(expense)	(998)	(3,107)	(2,070)		14,585	61,632	17,403	4,703	1,946	(6,828)		87,266
Other income	18,016	152,894	1,464,357	1,570,232	(3,935,516)	10,252,632	7,411,982	(18,016)	7,291,806	(6,235,516)	6,613,501	(9,355,697)

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XIII. SEGMENT REPORTING (CONTINUED)

2. Geographic information

The geographical distribution of the Company's revenue is as follows: (excluding inter-segment revenue). The geographical distribution of the Company's revenue is as follows: (excluding inter-segment revenue). The geographical distribution of the Company's revenue is as follows: (excluding inter-segment revenue).

Geographic information (according to the receiving party division)

	Total revenue from external customers		Total non-current assets	
	2017	2016	31 December 2017	31 December 2016
P.R.C area	32,769,171	23,563,045	53,560,445	53,280,989
Area (excluding P.R.C area)	5,412,665	7,266,749	696,672	714,570
Area	18,482,055	9,718,213	359,408	391,179
Other	18,029,736	8,068,004	1,863,541	1,544,659
Other	1,606,303	2,495,641	65,098	85,495
Total	76,299,930	51,111,652	56,545,164	56,016,892

XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES

The Group's financial risk management objectives are to ensure the availability of funds to meet the Group's operating requirements and to maintain a healthy financial position.

- Capital risk management
- Credit risk management
- Liquidity risk management
- Foreign exchange risk management

The Group's financial risk management objectives are to ensure the availability of funds to meet the Group's operating requirements and to maintain a healthy financial position.

The Group's financial risk management objectives are to ensure the availability of funds to meet the Group's operating requirements and to maintain a healthy financial position.

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

1. Credit risk

Credit risk is the risk that a counterparty will fail to meet its obligations to the Group, resulting in financial loss. The Group's credit risk is primarily concentrated in accounts receivable, other receivables, and debtors. The Group has established a credit management system to monitor and control credit risk. The Group's credit risk is primarily concentrated in accounts receivable, other receivables, and debtors.

The Group's credit risk is primarily concentrated in accounts receivable, other receivables, and debtors. The Group has established a credit management system to monitor and control credit risk. The Group's credit risk is primarily concentrated in accounts receivable, other receivables, and debtors.

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12. FINANCIAL RISK MANAGEMENT (Continued)

1. Credit risk (Continued)

The Group's credit risk is managed by the credit department. The credit department is responsible for identifying, measuring, monitoring and controlling credit risk. The credit department has established credit policies and procedures to ensure that credit risk is managed within the Group's risk appetite. The credit department also monitors the credit quality of the Group's receivables and ensures that the Group's receivables are collected in a timely manner. The Group's credit risk is primarily concentrated in the receivables from its customers. The Group's credit risk is managed by the credit department, which is responsible for identifying, measuring, monitoring and controlling credit risk. The credit department has established credit policies and procedures to ensure that credit risk is managed within the Group's risk appetite. The credit department also monitors the credit quality of the Group's receivables and ensures that the Group's receivables are collected in a timely manner.

The Group's credit risk is managed by the credit department, which is responsible for identifying, measuring, monitoring and controlling credit risk. The credit department has established credit policies and procedures to ensure that credit risk is managed within the Group's risk appetite. The credit department also monitors the credit quality of the Group's receivables and ensures that the Group's receivables are collected in a timely manner. The Group's credit risk is primarily concentrated in the receivables from its customers. The Group's credit risk is managed by the credit department, which is responsible for identifying, measuring, monitoring and controlling credit risk. The credit department has established credit policies and procedures to ensure that credit risk is managed within the Group's risk appetite. The credit department also monitors the credit quality of the Group's receivables and ensures that the Group's receivables are collected in a timely manner.

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

2. Liquidity risk (Continued)

The following table represents the contractual cash flows of financial assets and liabilities, categorized by maturity, as at 31 December 2017.

	31 December 2017					Carrying amount at balance sheet date
	Undiscounted contractual cash flow					
	Within 1 year or on demand	1 to 2 years	2 to 5 years	Over 5 years	Total	
Financial assets						
Carrying amount	5,596,314	-	-	-	5,596,314	5,596,314
Financial assets						
Financial assets	194,880	206,604	111,930	-	513,414	513,414
Accounts receivable	27,187,046	-	-	-	27,187,046	27,187,046
Other receivables	6,294,086	-	-	-	6,294,086	4,314,250
Available-for-sale financial assets	-	-	36,301	411,980	448,281	441,581
Interest receivable	19,092	-	-	-	19,092	19,092
Due dividend receivable	4,408	-	-	-	4,408	4,408
Long-term receivable	-	3,589,848	5,449,700	11,540,062	20,579,610	12,880,540
Subtotal	39,295,826	3,796,452	5,597,931	11,952,042	60,642,251	50,956,645
Financial liabilities						
Financial liabilities						
Short-term borrowings	15,317,347	-	-	-	15,317,347	15,317,347
Notes payable	1,785,456	-	-	-	1,785,456	1,785,456
Debt payable	264,000	6,210,029	2,233,400	-	8,707,429	7,986,500
Accounts payable	19,070,852	-	-	-	19,070,852	19,070,852
Interest payable	377,793	-	-	-	377,793	377,793
Due dividend payable	254,434	-	-	-	254,434	254,434
Other payables	4,085,579	-	-	-	4,085,579	4,085,579
Other payables	588,235	-	-	-	588,235	595,907
Long-term borrowings	1,015,960	4,860,647	20,562,836	831,199	27,270,642	24,140,168
Long-term payable	-	182,388	175,466	-	357,854	347,269
Other payables	278,214	278,214	278,214	1,349,863	2,184,505	1,737,505
Subtotal	43,078,702	11,531,278	23,249,916	2,181,062	80,040,958	75,739,642
Net amount	(3,782,876)	(7,734,826)	(17,651,985)	9,770,980	(19,398,707)	(24,782,997)

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

2. Liquidity risk (Continued)

	31 December 2016					Carrying amount
	Weighted average maturity	1 year	2 years	3 to 5 years	Over 5 years	
Financial assets						
Carrying amount	6,325,998					6,325,998
Financial assets at fair value						
Financial assets at fair value	141,160			325,187		466,347
Accrued receivables	24,619,828					24,619,828
Due receivables	5,513,253					5,513,253
Available-for-sale financial assets				36,803	412,240	449,043
Due receivables	9,250					9,250
Due receivables	41,959					41,959
Long-term receivables		3,997,923	5,268,322	12,907,684	22,173,929	13,220,242
Subtotal	36,651,448	3,997,923	5,630,312	13,319,924	59,599,607	49,068,039
Financial liabilities						
Financial liabilities at fair value						
Financial liabilities at fair value	199,225			3,816		203,041
Short-term borrowings	15,729,787					15,729,787
Notes payable	1,551,582					1,551,582
Due payables	189,000	189,000	8,175,500		8,553,500	7,986,500
Accrued payables	15,315,024					15,315,024
Due payables	303,375					303,375
Due payables	16,746					16,746
Due payables	3,667,872					3,667,872
Other due payables	1,666,966					1,687,762
Long-term borrowings	1,056,608	10,819,611	16,387,132	3,464,214	31,727,565	27,023,222
Long-term payables		520,988	4,767	23,220	548,975	529,372
Other due payables	314,210	314,210	314,210	1,685,812	2,628,442	2,037,458
Subtotal	40,010,395	11,843,809	24,885,425	5,173,246	81,912,875	76,051,741
Net amount	(3,358,947)	(7,845,886)	(19,255,113)	8,146,678	(22,313,268)	(26,983,702)

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

2. Liquidity risk (Continued)

As at 31 December, 2016, the Group's cash and cash equivalents, financial assets measured at fair value and other receivables are as follows:

All amounts are in RMB'000 unless otherwise specified. The following table shows the maturity of the Group's financial assets and liabilities that are measured at fair value:

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(Amount in RMB'000 unless otherwise specified)
(English translation of Chinese original)

XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

3. Interest rate risk

The Group is exposed to interest rate risk primarily through its financial assets and liabilities. The Group's interest rate risk arises from its financial assets and liabilities that are denominated in various currencies. The Group's interest rate risk is managed through the use of interest rate derivatives.

(1) As at 31 December 2017, the Group's interest rate risk is as follows:

	31 December 2017		31 December 2016	
	Interest rate (%)	Amount	Interest rate (%)	Amount
Fixed rates interest-bearing financial instruments				
Long-term receivables	2.58%-17.53%	12,880,540	2.58%-17.53%	13,220,242
Long-term receivables	2.58%-17.53%	4,314,250	2.58%-17.53%	3,941,689
Financial liabilities				
Short-term borrowings	1.30%-6.09%	3,917,219	0.65%-16.41%	6,280,953
Debt payable	3.07%-3.89%	7,986,500	3.07%-3.89%	7,986,500
Long-term borrowings	2.53%-5.46%	1,281,655	2.65%-2.90%	800,000
Long-term borrowings	1.20%-7.03%	3,529,147	1.45%-6.37%	1,043,007
Other financial assets	0.01%-1.00%	588,235	0.01%-1.00%	1,666,966
Other financial assets	4.99%-12.00%	1,737,505	4.99%-12.00%	2,037,458
Total		(1,845,471)		(2,652,953)

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

3. Interest rate risk (Continued)

(1) As at 31 December 2017, the following table summarizes the carrying amounts of financial instruments that are exposed to interest rate risk:

	31 December 2017		31 December 2016	
	Interest rate (%)	Amount	Interest rate (%)	Amount
Floating rates interest-bearing financial instruments				
Financial assets				
Cash and bank balances	0.30%-2.75%	5,596,314	0.30%-2.75%	6,325,998
Financial liabilities				
Borrowings	1.775%+1M libor~6M libor+195bps	2,700,971	1M Libor+145bps	2,725,710
Long-term borrowings	1.15%+1M libor~3M libor+240bps	20,611,021	1M Libor+145bps	25,980,215
Short-term borrowings	6M libor+2.8%~1M libor+150bps	11,400,128	1M Libor+125bps	9,448,834
Long-term payable	8.02%-12.86%	347,269	8.02%-12.86%	529,372
Current financial payable	8.02%-12.86%	100,609	8.02%-12.86%	138,312
Total		(29,563,684)		(32,496,445)

(2) Sensitivity analysis

As at 31 December 2017, the carrying amount of floating rate financial instruments is 25 billion RMB (31 December 2016: 25 billion RMB). The carrying amount of floating rate financial instruments is 55,432,000 RMB (2016: 60,931,000 RMB).

The carrying amount of floating rate financial instruments is 55,432,000 RMB (2016: 60,931,000 RMB). The carrying amount of floating rate financial instruments is 55,432,000 RMB (2016: 60,931,000 RMB).

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(Except for the information referred to otherwise)

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Financial statements ended 31 December, 2017

(All amounts in RMB'000 unless otherwise indicated)

(Except for the financial reference only)

XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

4. Foreign exchange risk (Continued)

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

4. Foreign exchange risk (Continued)

(3) Sensitivity analysis

As at 31 December 2017, the sensitivity analysis of the carrying amount of RMB denominated assets and liabilities to changes in the exchange rate of the US dollar against the Hong Kong dollar is as follows: a 2.30% and 2.27% increase/decrease in the exchange rate of the US dollar against the Hong Kong dollar as at 31 December 2017 (2.80% and 2.70% as at 31 December 2016). A 1% increase/decrease in the exchange rate of the US dollar against the Hong Kong dollar as at 31 December 2017, would result in an increase/decrease in the carrying amount of RMB denominated assets and liabilities of RMB 124,096 and RMB 29,792, respectively (as at 31 December 2016, a 1% increase/decrease in the exchange rate of the US dollar against the Hong Kong dollar would result in an increase/decrease in the carrying amount of RMB denominated assets and liabilities of RMB 124,096 and RMB 29,792, respectively). A 1% increase/decrease in the exchange rate of the Euro against the Hong Kong dollar as at 31 December 2017, would result in a decrease/increase in the carrying amount of RMB denominated assets and liabilities of RMB (1,263) and RMB 669, respectively (as at 31 December 2016, a 1% increase/decrease in the exchange rate of the Euro against the Hong Kong dollar would result in a decrease/increase in the carrying amount of RMB denominated assets and liabilities of RMB (1,263) and RMB 669, respectively). A 1% increase/decrease in the exchange rate of the Japanese Yen against the Hong Kong dollar as at 31 December 2017, would result in a decrease/increase in the carrying amount of RMB denominated assets and liabilities of RMB 669 and RMB 669, respectively (as at 31 December 2016, a 1% increase/decrease in the exchange rate of the Japanese Yen against the Hong Kong dollar would result in a decrease/increase in the carrying amount of RMB denominated assets and liabilities of RMB 669 and RMB 669, respectively).

	2017	2016
31 December 2017		
USD	124,096	124,096
EUR	29,792	29,792
HKD	(1,263)	(1,263)
JPY	669	669
Total	153,294	153,294
31 December 2016		
USD	(415,669)	(415,669)
EUR	26,128	26,128
HKD	(2,115)	(2,115)
JPY	1,716	1,716
Total	(389,940)	(389,940)

As at 31 December 2017, the sensitivity analysis of the carrying amount of RMB denominated assets and liabilities to changes in the exchange rate of the US dollar against the Hong Kong dollar is as follows: a 2.30% and 2.27% increase/decrease in the exchange rate of the US dollar against the Hong Kong dollar as at 31 December 2017 (2.80% and 2.70% as at 31 December 2016). A 1% increase/decrease in the exchange rate of the US dollar against the Hong Kong dollar as at 31 December 2017, would result in an increase/decrease in the carrying amount of RMB denominated assets and liabilities of RMB 124,096 and RMB 29,792, respectively (as at 31 December 2016, a 1% increase/decrease in the exchange rate of the US dollar against the Hong Kong dollar would result in an increase/decrease in the carrying amount of RMB denominated assets and liabilities of RMB 124,096 and RMB 29,792, respectively). A 1% increase/decrease in the exchange rate of the Euro against the Hong Kong dollar as at 31 December 2017, would result in a decrease/increase in the carrying amount of RMB denominated assets and liabilities of RMB (1,263) and RMB 669, respectively (as at 31 December 2016, a 1% increase/decrease in the exchange rate of the Euro against the Hong Kong dollar would result in a decrease/increase in the carrying amount of RMB denominated assets and liabilities of RMB (1,263) and RMB 669, respectively). A 1% increase/decrease in the exchange rate of the Japanese Yen against the Hong Kong dollar as at 31 December 2017, would result in a decrease/increase in the carrying amount of RMB denominated assets and liabilities of RMB 669 and RMB 669, respectively (as at 31 December 2016, a 1% increase/decrease in the exchange rate of the Japanese Yen against the Hong Kong dollar would result in a decrease/increase in the carrying amount of RMB denominated assets and liabilities of RMB 669 and RMB 669, respectively).

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

6. Fair value estimates

The fair value of financial assets and liabilities is determined based on the following methods:

Level 1: Quoted prices in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices for identical assets or liabilities that are observable for the asset or liability, either directly (i.e., prices) or indirectly (i.e., derived from prices);

Level 3: Inputs for the asset or liability that are not based on observable market data (i.e., unobservable inputs).

(1) Assets measured at fair value on a recurring basis

The following table summarizes the fair value of assets measured at fair value on a recurring basis as at 31 December 2017:

Assets	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets measured at fair value					
Level 1					
Level 2					
Level 3					
Accounts receivable	IV.2	183,303	-	-	183,303
Debt securities	IV.2	-	328,751	-	328,751
Hedging instruments	IV.2	-	1,360	-	1,360
Available-for-sale financial assets	IV.11	3,995	436,661	-	440,656
Total		187,298	766,772	-	954,070
Non-financial assets					
Intangible assets	IV.14	-	-	1,679,189	1,679,189
Total		187,298	766,772	1,679,189	2,633,259

Liabilities	Note	Level 1	Level 2	Level 3	Total
Liabilities					
Liabilities measured at fair value					
Level 1					
Level 2					
Level 3					
Debt securities	IV.26	-	(3,025)	-	(3,025)
Hedging instruments	IV.26	-	-	-	-
Accounts payable	IV.26	-	-	(37,807)	(37,807)
Total		-	(3,025)	(37,807)	(40,832)

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

6. Fair value estimates (Continued)

(1) Assets measured at fair value on a recurring basis (Continued)

The following table sets out the Group's assets measured at fair value as at 31 December 2016:

Assets	Net	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets measured at fair value					
Level 1					
Level 2					
Level 3					
Available-for-sale financial assets	IV.2	138,072			138,072
Derivative financial assets	IV.2		326,969		326,969
Hedging derivatives	IV.2		1,306		1,306
Available-for-sale financial assets	IV.11	2,441	30,803		33,244
Financial assets		140,513	359,078		499,591
Non-financial assets					
Level 1	IV.14			1,752,608	1,752,608
Total		140,513	359,078	1,752,608	2,252,199

Liabilities	Net	Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value					
Level 1					
Level 2					
Level 3					
Derivative financial liabilities	IV.26		(15,838)		(15,838)
Hedging derivatives	IV.26		(4,244)		(4,244)
Financial guarantee contracts	IV.26			(57,419)	(57,419)
Contingent liabilities				(125,540)	(125,540)
Total	IV.26		(20,082)	(182,959)	(203,041)

The Group's assets and liabilities are categorized as Level 1, Level 2 or Level 3 based on the following criteria:

Financial assets and liabilities are categorized as Level 1 if they are traded in an active market for identical assets or liabilities. Financial assets and liabilities are categorized as Level 2 if they are traded in a market that is not active, or if they are valued using inputs other than quoted prices in active markets. Financial assets and liabilities are categorized as Level 3 if they are valued using unobservable inputs.

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 (Except for the figures in parentheses, all figures are rounded)

XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

6. Fair value estimates (Continued)

(1) Assets measured at fair value on a recurring basis (Continued)

The Group has measured the fair value of its financial assets and liabilities at the reporting date using the following methods. The methods used to determine the fair value of the assets and liabilities are as follows:

The following table shows the fair value of the assets and liabilities measured at fair value on a recurring basis:

	Investment properties

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

6. Fair value estimates (Continued)

(1) Assets measured at fair value on a recurring basis (Continued)

The following table sets out the fair value estimates of the assets measured at fair value as at 31 December 2017:

	Fair value as at 31 December 2017	Valuation techniques	Significant unobservable inputs			
			Name	Scope/weighted average	Relationship with fair value	Observable/Unobservable
Intangible assets			Rate of return/capitalisation rate	6%-8%		
Construction in progress	1,265,466	Income model	Monthly rental (RMB/square meter/month) Budgeted construction cost to be incurred (RMB/square meter)	7-98 650-4,600	(a)	Unobservable
Land use rights	413,723	Cost model Direct comparison	Anticipated developer's profit margin Market price (RMB/square meter)	9%-12% 450-2,200	(a) (a)	Unobservable Unobservable

- (a) The reasons for the unobservable fair value estimates are as follows:
- The development of the related assets/capabilities, etc. are not measurable;
 - The development of the related assets/capabilities, etc. are not measurable;
 - The development of the related assets/capabilities, etc. are not measurable;
 - The development of the related assets/capabilities, etc. are not measurable;
 - The development of the related assets/capabilities, etc. are not measurable;
 - The development of the related assets/capabilities, etc. are not measurable.

	Fair value as at 31 December 2016	Valuation technique	Significant unobservable inputs			
			Name	Scope/weighted average	Relationship with fair value	Observable/Unobservable
Intangible assets			Rate of return/capitalisation rate	6%-8%		
Construction in progress	1,139,285	Income model	Monthly rental (RMB/square meter/month) Budgeted construction cost to be incurred (RMB/square meter)	7-95 650-4,600	(a)	Unobservable
Land use rights	613,323	Cost model Direct comparison	Anticipated developer's profit margin Market price (RMB/square meter)	9%-12% 450-2,200	(a) (a)	Unobservable Unobservable

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

6. Fair value estimates (Continued)

(4) Estimation and assumption of fair values (Continued)

(d) Derivatives

The fair value of the derivatives is determined based on the bid and offer prices of the derivatives in the market. The fair value of the derivatives is determined based on the bid and offer prices of the derivatives in the market. The fair value of the derivatives is determined based on the bid and offer prices of the derivatives in the market.

(e) Financial guarantees

The fair value of the financial guarantees is determined based on the fee charged by the guarantors. The fair value of the financial guarantees is determined based on the fee charged by the guarantors. The fair value of the financial guarantees is determined based on the fee charged by the guarantors.

XV. CAPITAL MANAGEMENT

The Group's objective is to maintain a strong capital base to ensure the long-term development of the Group. The Group's capital management is to ensure the long-term development of the Group.

The Group's capital management is to ensure the long-term development of the Group. The Group's capital management is to ensure the long-term development of the Group.

The Group's capital management is to ensure the long-term development of the Group. The Group's capital management is to ensure the long-term development of the Group.

The Group's capital management is to ensure the long-term development of the Group. The Group's capital management is to ensure the long-term development of the Group.

In 2017, the Group's capital management is to ensure the long-term development of the Group. The Group's capital management is to ensure the long-term development of the Group.

	31 December 2017	31 December 2016
Total Assets	87,366,945	85,479,956
Total Liabilities	130,604,379	124,614,748
Debt - Assets	66.89%	68.60%

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(A a F e ea e ded 31 Dece be, 2017
RMB'000 e e e a ed)
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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS

1. Cash at bank and on hand

	31 December 2017	31 Dece be, 2016
Ba i de	1,360,476	2,647,574
O e ca ba a ce	6,400	12,648
	1,366,876	2,660,222
I d g: ca ab ad	-	519

A a 31 Dece be, 2017, e e ed ca a ba i ad a d f e C a a ed 31,146,000 (31 Dece be, 2016: 2,752,000).

A 31 Dece be, 2017, e f ed de f e C a e F a ca C a , a b da f e G , a 1,000,000,000 (31 Dece be, 2016: 942,000,000).

2. Dividends receivable

	31 December 2017	31 Dece be, 2016
CIMC H g K g	3,210,156	3,435,198
SCIMC	592,706	592,706
SCIMCEL	462,372	462,372
CIMCVG	398,970	
CIMCVL	156,034	149,577
TJCMCLE	48,915	48,915
M de L g c	29,146	29,146
SCIMCEL	19,263	19,263
Ta Ka g de L g c e C ., L d	411	411
XHCIMC	396	
CIMC W d	-	874
QDSV	-	17,356
T a	4,918,369	4,755,818

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Other receivables

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

	31 December 2017	31 December 2016
Accounts receivable	13,104,034	13,109,464
Debtors	14,739	15,711
Others	82,949	10,821
Sub-total	13,201,722	13,135,996
Less: Allowance for bad debts	(4,580)	(4,580)
Total	13,197,142	13,131,416

(2) Other receivables are analysed by aging as follows:

	31 December 2017	31 December 2016
Within 1 year (including)	9,713,039	9,642,304
1-2 years (including)	684,266	1,530,022
2-3 years (including)	1,434,185	574,631
Over 3 years	1,370,232	1,389,039
Sub-total	13,201,722	13,135,996
Less: Allowance for bad debts	(4,580)	(4,580)
Total	13,197,142	13,131,416

The aging category is determined according to the period of time that the receivables have been due.

As at 31 December 2017 and 31 December 2016, the carrying amount of the receivables is as follows:

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Other receivables (Continued)

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

	31 December 2017				31 December 2016			
	Ending balance		Provision for doubtful debts		Ending balance		Provision for doubtful debts	
	Amount	% of total balance	Amount	% of total balance	Amount	% of total balance	Amount	% of total balance
Other receivables arising from operations	13,161,642	99.70%	-	-	13,066,919	99.47%	-	-
Other receivables arising from operations	40,080	0.30%	4,580	11.43%	69,077	0.53%	4,580	6.63%
Total	13,201,722	100.00%	4,580	0.03%	13,135,996	100.00%	4,580	0.03%

The carrying amount of other receivables is as follows:

(4) Other receivables with amounts that are individually significant and that the related provision for doubtful debts is provided on the individual basis

As at 31 December 2017 and 31 December 2016, the carrying amount of other receivables is as follows:

(5) Other receivables with amounts that are not individually significant but that the related provision for doubtful debts is provided on the individual basis.

As at 31 December 2017 and 31 December 2016, the carrying amount of other receivables is as follows:

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Other receivables (Continued)

(6) Other receivables that the related provision for bad debts is provided on grouping basis using the ageing analysis method are analysed as follows:

	31 December 2017			31 December 2016		
	Ending balance	Provision for doubtful debts		Ending balance	Provision for doubtful debts	
	Amount	Amount	% of total balance	Amount	Amount	% of total balance
Within 1 year	34,153	-	-	54,449	-	-
1-2 years	687	-	-	6,120	-	-
2-3 years	-	-	-	3,268	-	-
3-4 years	-	-	-	660	-	-
4-5 years	660	-	-	-	-	-
Over 5 years	4,580	4,580	100.00%	4,580	4,580	100.00%
Total	40,080	4,580	11.43%	69,077	4,580	6.63%

(7) The recovery of provision in current year

The recovery of provision in current year is related to the recovery of doubtful debts and the reversal of the provision for doubtful debts. The amount of the recovery of provision in current year is RMB 4,580,000 (2016: N/A).

(8) Other receivables that are written off in current year

The amount of other receivables written off in current year is RMB 0 (2016: N/A).

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RMB'000 e e e a ed)
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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Other receivables (Continued)

(9) As at 31 December 2017, the five largest other receivables are analysed as follows:

Nature	Amount	Aging	% of total balance	Provision for doubtful debts
CIMC H g K g f d, a fe, da, a fe	3,761,960	W 1 ea, 1 2 ea	28.50%	
J, C&C T, c f d, a fe	1,417,182	W 1 ea, 1 2 ea, 2 3 ea, 3 ea	10.73%	
H g Be, g f d, a fe	1,079,848	1 2 ea	8.18%	
CIMC Lea g f d, a fe	865,250	1 2 ea	6.55%	
CIMC RAFFLES f d, a fe	876,402	1 2 ea	6.64%	
	8,000,642		60.60%	

T e C a ' f e a g e e, e ca, a be a a 31 Dece be, 2016 a ed 7,609,722,000 a d acc g f, 57.93% f e a e, e ca, a be .

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

A a 31 Dece be, 2017 a d 31 Dece be, 2016, a d e f a e de, d g, e a 5% (d d g 5%) f e a g, g f e C a d ed e ab, e ba a ce f e, e ca, a be .

(11) Receivables from related parties

Relationship with the Company	31 December 2017		31 Dece be, 2016	
	Amount	% of total balance	A	% f a ba a ce
A cae A cae	82,252	0.62%	575,378	4.38%
S b da, e S b da, e	13,021,782	98.64%	12,534,086	95.42%
T a	13,104,034	99.26%	13,109,464	99.80%

(12) Other receivables derecognised due to transfer of financial assets

A f Dece be, 31 2017, e e e e e, e ca, a be de, e c g ed e, a fe, f f a ca a e f e C a e d, e ea, (31 Dece be, 2016: N).

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

A f Dece be, 31 2017, e e e e e d, e e, e ca, a be d, g ea, (31 Dece be, 2016: N).

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

4. Available-for-sale financial assets

	31 December 2017	31 December 2016
Measurement		
Available-for-sale financial assets (1)	391,970	391,970
Less: Less than fair value	(3,065)	(3,065)
	388,905	388,905

(1) Related information analysis of available-for-sale financial assets is as follows:

Available-for-sale financial assets:

	31 December 2016	Interest income	Dividend income	31 December 2017	Shareholding (%)	Carrying amount
Available-for-sale financial assets						
C						
BOCM Securities Fund	8,125			8,125	5.00%	
China Railway Logistics	380,780	8,125	51,000	388,905		

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

5. Long-term equity investments (Continued)

(1) Subsidiaries (Continued):

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RMB'000 e e e a ed)
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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

6. Fixed asset

	Plants and buildings	Machinery and equipment	Office and other equipment	Total
Original cost				
31 Dece be, 2016	115,451	24,240	124,075	263,766
Ta fe f c c g e	33,294	3,604	18,105	55,003
De ce a e e e a	-	(88)	(10,191)	(10,279)
31 Dece be, 2017	148,745	27,756	131,989	308,490
Accumulated depreciation				
31 Dece be, 2016	(48,594)	(18,219)	(94,581)	(161,394)
De ce a e e e a	(3,829)	(1,488)	(7,881)	(13,198)
De ce a e e e a	-	79	9,154	9,233
31 Dece be, 2017	(52,423)	(19,628)	(93,308)	(165,359)
Net book value				
31 Dece be, 2016	66,857	6,021	29,494	102,372
31 Dece be, 2017	96,322	8,128	38,681	143,131

T e a f de ce a acc ed f f ed a e 2017 a c ded e ad a e e e e a g 13,198,000 (2016: 12,772,000).

T e g a ce a fe ed f ed a e f c c - - g e a 55,003,000 (2016: 11,323,000).

7. Short-term borrowings

(1) The analysis of the Company's short-term loans is as follows :

	31 December 2017	31 Dece be, 2016

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

11. Other payable

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

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

13. Long-term borrowings

(1) The analysis of the Company's long-term loans is as follows:

	31 December 2017	31 December 2016
Bank borrowings		
Unsecured	1,322,000	1,621,000

As at 31 December 2017, the carrying amount of long-term borrowings is denominated in Renminbi (31 December 2016: Nil).

As at 31 December 2017, the weighted average interest rate is 1.20% - 4.45% (31 December 2016: 1.20% - 3.65%).

14. Debentures payable

Information of the Company's debentures is available in Note IV.39.

15. Deferred tax assets and deferred tax liabilities

(1) The offsetting balances of deferred tax assets and liabilities offset and corresponding deductible or taxable temporary differences

	31 December 2017		31 December 2016	
	Deductible/ (taxable) Temporary differences	Deferred tax assets/ (liabilities)	Deductible/ (taxable) Temporary differences	Deferred tax assets/ (liabilities)
Deferred tax assets:				
Entirely deductible	291,949	72,986	205,760	51,440
Partly deductible				
Entirely deductible	614	154	3,360	840
Sub-total	292,563	73,140	209,120	52,280
Offsetting gains	-	-	-	-
Offsetting balances	292,563	73,140	209,120	52,280
Included in:				
Amounts recognized in the consolidated financial statements		73,140		52,280

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RMB'000 e e e a ed)
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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

16. Capital surplus

	1 January 2017	Increase in current year	Decrease in current year	31 December 2017
S a e r e	3,601,855	73,823	-	3,675,678
O e ca a r r :				
E c a g e e e f r e g				
c r e c c a a	687	-	-	687
D a e d -c a a e r e e e	87	-	-	87
E e e e d a e-ba e d a e	253,012	-	(30,077)	222,935
O e	(568,492)	-	-	(568,492)
T a	3,287,149	73,823	(30,077)	3,330,895

	1 Ja a r 2016	I c e a e c r e e a	De c e a e c r e e a	31 Dece be 2016
S a e r e	3,589,082	12,773		3,601,855
O e ca a r r :				
E c a g e e e f r e g				
c r e c c a a	687			687
D a e d -c a a e r e e e	87			87
E e e e d a e-ba e d a e	258,211		(5,199)	253,012
O e	(568,492)			(568,492)
T a	3,279,575	12,773	(5,199)	3,287,149

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

17. Other comprehensive income

	Amount incurred in current year			31 December 2017
	1 January 2017	Pre-tax amount incurred in current year	Post-tax amount attributable to the Company	
Items that are reclassified to profit or loss:				
Pre-emption of shares	43,754	-	-	43,754

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (C)

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

20. Financial expenses – net

	2017	2016
Interest expense	537,640	313,968
Less: Interest income	(332,379)	(203,925)
Exchange gain	469,649	(468,808)
Other	15,150	5,157
Total	690,060	(353,608)

21. Profit arising from changes in fair value

	2017	2016
Fair value change of financial assets and liabilities at fair value through profit or loss		
Change in fair value of equity investments	2,747	10,895

22. Investment income

(1) Investment income by projects

	2017	2016
Interest income from bank deposits	947,752	1,242,065
Interest income from bank deposits at the end of the reporting period	4,000	8,000
(Loss)/Interest income from bank deposits	(7)	7,225
Other interest income	7,904	1,775
Total	959,649	1,259,065

23. Non-operating income

(1) Non-operating income by categories:

	2017	2016
Government grants	-	33,047
Other	7,408	10
Total	7,408	33,057

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

23. Non-operating income (Continued)

(2) Details of government grants

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

26. Notes to the cash flow statement

(1) Supplementary information to the cash flow statement:

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

	2017	2016
Net profit	79,106	1,827,623
Decrease/Increase	13,198	12,772
Accounts receivable	259	259
Accounts payable	11,103	7,107
Loss/(Profit) disposal of assets, etc.	647	(50)
Provision for doubtful accounts	(2,747)	(10,895)
Finance expense	777,404	101,868
Income tax expense	(959,649)	(1,259,065)
(Increase)/Decrease deferred tax	(20,860)	164,168
Increase/decrease in prepayments	(140,627)	(478,098)
Decrease/(Increase) in other receivables	1,771,143	(5,160,495)
Net cash/(cash) generated from operating activities	1,528,977	(4,794,806)

(b) Net change of cash and cash equivalents:

	2017	2016
Cash and cash equivalents at the beginning of the year	335,730	1,715,470
Less: Cash and cash equivalents at the end of the year	1,715,470	652,865
Net (decrease)/increase in cash and cash equivalents	(1,379,740)	1,062,605

(2)

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2. RETURN ON NET ASSETS AND EARNINGS PER SHARE

In accordance with the relevant provisions of the Accounting Standards for Business Enterprises No. 9 Earnings per Share, the Company has adopted the weighted average method to calculate the earnings per share for the period from January 1, 2017 to December 31, 2017. The calculation results are as follows:

Confirmation from the Directors and Senior Management

According to the audit report issued by the PRC Specialized Audit Firm, the Company's financial statements for the period from January 1, 2017 to December 31, 2017 are true and accurate, and the Company's financial statements for the period from January 1, 2017 to December 31, 2017 are true and accurate, and the Company's financial statements for the period from January 1, 2017 to December 31, 2017 are true and accurate.

Case XV

Documents Available for Inspection

The following documents are available for inspection:

1. The application for the issuance of the bill of lading.
2. The bill of lading and the corresponding documents, including the bill of lading, the bill of lading copy, the bill of lading copy (with the bill of lading copy).
3. The bill of lading and the corresponding documents, including the bill of lading, the bill of lading copy, the bill of lading copy (with the bill of lading copy).
4. The bill of lading and the corresponding documents, including the bill of lading, the bill of lading copy, the bill of lading copy (with the bill of lading copy).
5. The bill of lading and the corresponding documents, including the bill of lading, the bill of lading copy, the bill of lading copy (with the bill of lading copy).
6. The bill of lading and the corresponding documents.

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