

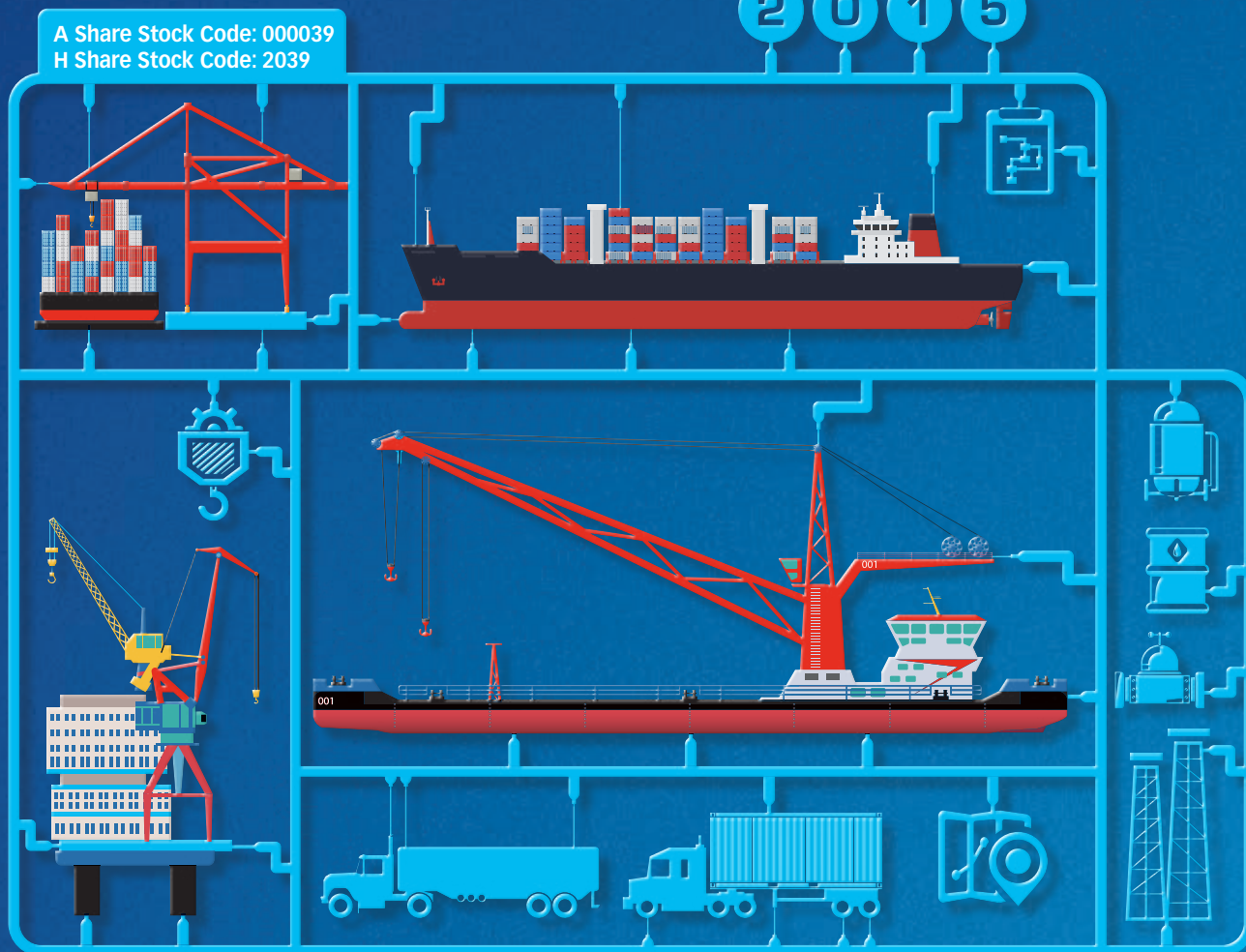
NEW CIMC

Creating new value

Annual Report 2015

A Share Stock Code: 000039
H Share Stock Code: 2039

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CIMC

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

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



Cautionary Statement Regarding Forward-Looking Statements

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



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Important Notice

The Board of Directors, the Supervisory Committee and the Directors, Supervisors and senior management of the Company warrant that this annual report is true, accurate and complete and does not contain any false records, misleading statements or material omission and jointly and severally take legal responsibility.

The 2015 annual report (this "Report") has been reviewed and approved at the 2nd meeting of the 7th session of the Board in 2016. All Directors have attended the Board meeting to review and approve this Report.

The proposed profit distribution plan of the Company as considered and approved by the Board is based on the total share capital of the Company as at the date of dividend payment record for 2015, a cash dividend of RMB2.20 (tax inclusive) per 10 shares will be distributed to all shareholders; no bonus shares will be issued and no share will be converted from reserves into share capital. The proposed dividend is expected to be payable on or around 20 July 2016. The annual dividend distribution plan for 2015 shall be submitted to the Company's annual general meeting for consideration and approval.

Mr. Wang Hong, person-in-charge of the Company and chairman of the Board, Mr. Mai Boliang, CEO and president, and Mr. Jin Jianlong, general manager of the

financial department, person-in-charge of accounting affairs and head of the accounting department (the financial controller), hereby warrant the truthfulness, accuracy and completeness of the financial statements contained in this Report.

No substantial shareholder of the Company utilised the funds of the Company for non-operating purposes during the Reporting Period.

The financial statements of the Company and its subsidiaries (the "Group") have been prepared in accordance with the Accounting Standards for Business Enterprises ("CASBE"). The financial statements of the Group for 2015 prepared in accordance with CASBE have been audited by PricewaterhouseCoopers Zhong Tian LLP, who has issued an audit report with unqualified opinions on the financial statements.

This Report contains forward-looking statements in relation to subjects such as future plans, which do not constitute any specific undertakings to investors by the Company. Investors should be aware of investment risks.

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

Definitions

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

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

Definitions

“CIMC Raffles”	CIMC Raffles Offshore (Singapore) Limited, a company incorporated in Singapore with limited liability on 7 March 1994 and a subsidiary of the Company;
“CIMC Tianda”	Shenzhen CIMC-Tianda Airport Support Co., Ltd. (深圳中集天達空港設備有限公司), a company incorporated in the PRC with limited liability on 18 July 1992 and a subsidiary of the Company;
“CIMC Vehicle”	CIMC Vehicle (Group) Co., Ltd. (中集車輛(集團)有限公司), a company incorporated in the PRC with limited liability on 29 August 1996 and a subsidiary of the Company;
“C&C Trucks”	C&C Trucks Co., Ltd. (集瑞聯合重工有限公司), a company incorporated in the PRC with limited liability on 12 March 2009 and a subsidiary of the Company;
“Corporate Governance Code”	the Corporate Governance Code contained in Appendix 14 of the Hong Kong Listing Rules;
“CSRC”	China Securities Regulatory Commission;
“Director(s)”	the director(s) of the Company;
“Group”, “we”, “our” and “us”	the Company and its subsidiaries;
“H Share(s) (or Overseas-listed Foreign Share(s))”	overseas-listed foreign share(s) issued by the Company with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars;
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC;
“Hong Kong Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Hong Kong Listing Rules;
“PRC” or “China”	the People’s Republic of China;
“Pteris”	Pteris Global Ltd, a company incorporated in 1979, listed on the main board of the Singapore Stock Exchange in 1991, and then listed on Catalist in 2014 (stock code: UD3), and a subsidiary of the Company;
“Reporting Period”	the twelve months started from 1 January to 31 December 2015;
“RMB”	Renminbi, the lawful currency of the PRC;

Definitions

"SFO"	the Hong Kong Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
"Shareholder(s)"	the shareholder(s) of the Company;
"Shenzhen Listing Rules"	Rules Governing the Listing of Securities on the Shenzhen Stock Exchange;
"Shenzhen Stock Exchange"	the Shenzhen Stock Exchange;
"Supervisor(s)"	the member(s) of the Supervisory Committee of the Company;
"Supervisory Committee"	the Supervisory Committee of the Company;
"US\$" or "U.S. dollars"	United States dollars, the lawful currency of the United States of America; and
"Ziegler"	Albert Ziegler GmbH, a company incorporated in Germany with limited liability and a subsidiary of the Company.

Glossary

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

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

Chapter I

Corporate Profile

The Company was incorporated in Shenzhen, Guangdong Province, the PRC under the PRC Company Law as a joint venture on 14 January 1980 and was named as China International Marine Containers Co., Ltd. (中國國際海運集裝箱股份有限公司). After being restructured as a joint stock limited company in December 1992, and publicly offered A Shares and B shares which were listed on the Shenzhen Stock Exchange in 1994, the Company changed its name to China International Marine Containers (Group) Co., Ltd. (中國國際海運集裝箱(集團)股份有限公司) in 1995. The A Shares of the Company were listed on the Shenzhen Stock Exchange on 8 April 1994 and its H Shares were listed by introduction on the main board of the Hong Kong Stock Exchange on 19 December 2012. The Company is the first enterprise in China with its B shares converted into H Shares listed on the main board of the Hong Kong Stock Exchange.

The Group is a world leading equipment and solution provider in the logistics and energy industries and is principally engaged in the manufacture of containers, energy, chemical and liquid food equipment, offshore engineering equipment and airport facilities as well as the provision of relevant services, including the design and manufacture of international standard dry containers, reefer containers, regional special containers, tank containers, wooden container floorboards, road tank trucks, gas equipment and static tanks, road transportation vehicles, heavy trucks, Jack-up Drilling Platforms, Semi-submersible Drilling Platforms, special vessels, passenger boarding bridges, air cargo handling systems, ground vehicles with specific purpose and automatic parking system and the provision of relevant services. In addition, the Group is also engaged in logistics service, real estate development, finance and other businesses. Through business expansion and technology upgrading, we have formed an industry cluster focusing on key equipment and solutions provided for the logistics and energy industries.

I COMPANY INFORMATION

Legal Name in Chinese:	中國國際海運集裝箱(集團)股份有限公司
Abbreviated Chinese Name:	中集集團
Company Name in English:	China International Marine Containers (Group) Co., Ltd.
Abbreviated English Name:	CIMC
Legal Representative:	Wang Hong
Authorised Representatives:	Mai Boliang, Yu Yuqun
Registered Address and Address of Head Office:	8th Floor, CIMC R&D Centre, 2 Gangwan Avenue, Shekou, Nanshan District, Shenzhen, Guangdong, PRC
Postal Code:	518067
Company Website:	http://www.cimc.com
Email Address:	shareholder@cimc.com
Principal Place of Business in Hong Kong:	3101-2 Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong

Chapter I | Corporate Profile

II CONTACT PERSONS AND MEANS OF COMMUNICATION

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

III CHANGES IN REGISTRATION

Enterprise Legal Business License Registration Number:	440301501119369
Taxation Registration Number:	440300618869509
Organisation Code:	61886950-9
First Registration Date of the Company:	14 January 1980
First Registration Place of the Company:	Shenzhen Administration of Industry and Commerce
Registration at the End of the Reporting Period:	Same as the above
Change of the Controlling Shareholder:	No controlling shareholder

IV INFORMATION DISCLOSURE AND LOCATIONS FOR DOCUMENTS FOR INSPECTION

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

Chapter I | Corporate Profile

V STOCK INFORMATION OF THE COMPANY

Stock Exchange on which A Shares are Listed:	Shenzhen Stock Exchange
Abbreviated Stock Name for A Shares:	CIMC
Stock Code:	000039
Stock Exchange on which H Shares are Listed:	Hong Kong Stock Exchange
Abbreviated Stock Name for H Shares:	CIMC, ZJHD (Note)
Stock Code:	02039, 299901 (Note)

Note: Both the abbreviated stock name and the stock code were only used by the original B shares shareholders of the Company in the PRC in respect of their trading of H Shares of the Company after H Shares of the Company were listed on the Hong Kong Stock Exchange.

VI OTHER RELEVANT INFORMATION

Hong Kong Share Registrar: Address:	Computershare Hong Kong Investor Services Limited Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong
Hong Kong Lawyers: Address:	Paul Hastings 21-22/F, Bank of China Tower, 1 Garden Road, Central, Hong Kong
PRC Lawyers: Address:	Commerce & Finance Law Offices 6/F, NCI Tower, A12 Jianguomenwai Avenue, Chaoyang District, Beijing, PRC
Auditors: Address:	PricewaterhouseCoopers Zhong Tian LLP 11th Floor, PricewaterhouseCoopers Centre, 2 Corporate Avenue, 202 Hu Bin Road, Huangpu District, Shanghai, PRC (Postal code: 200021)
Name of the Certified Public Accountants as the signatories:	Cao Cuili, Cai Zhifeng

Chapter II

Summary of Accounting Data and
Financial Indicators**I. CHANGE OF ACCOUNTING POLICIES AND CORRECTION OF ACCOUNTING ERRORS**

Retrospective adjustment to or restatement of the accounting data for prior years by the Company due to change of accounting policies and correction of accounting errors

Yes No

Unit: RMB thousand

	2015	2014	Changes from previous year to this year (%)	2013
Revenue	58,685,804	70,070,855	(16.25%)	57,874,411
Net profit attributable to shareholders and other equity holders of the parent company	1,974,005	2,477,802	(20.33%)	2,180,321
Net profit attributable to shareholders and other equity holders of the parent company after deducting non-recurring profit or loss	1,721,222	2,142,682	(19.67%)	1,343,090
Net cash flows from operating activities	(3,610,223)	6,434,477	(156.11%)	2,749,926
Basic earnings per share (RMB/share)	0.72	0.93	(22.58%)	0.82
Diluted earnings per share (RMB/share)	0.71	0.92	(22.83%)	0.81
Weighted average return on net assets	8%	12%	(4%)	11%

	As at 31 December 2015	As at 31 December 2014	Changes from previous year to this year (%)	As at 31 December 2013
Total assets	106,763,171	87,776,181	21.63%	72,605,972
Net assets attributable to shareholders and other equity holders of the parent company	28,541,319	22,290,314	28.04%	20,674,037

Total share capital of the Company as of the trading day preceding the date of publication of this Report on the Cninfo website in accordance with Shenzhen Listing Rules:

Total share capital of the Company as of the trading day preceding the date of publication of this Report on the Cninfo website in accordance with Shenzhen Listing Rules (shares)	2,978,278,386
Fully diluted earnings per share based on the latest share capital (RMB/share)	0.6628

Whether there are corporate bonds

Yes No

Chapter II | Summary of Accounting Data and Financial Indicators

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

Unit: RMB thousand

Income statement items	For the year ended 31 December					
	2015	2014	Changes from the previous year to this year (%)	2013	2012	2011
Revenue	58,685,804	70,070,855	(16.25%)	57,874,411	54,334,057	64,125,053
Operating profit	2,943,736	3,297,874	(10.74%)	3,370,835	2,639,441	4,735,293
Profit before income tax expense	3,206,352	3,570,416	(10.20%)	3,562,720	2,907,380	5,022,706
Income tax expense	934,391	536,488	74.17%	928,222	976,950	1,363,768
Profit for the year	2,271,961	3,033,928	(25.11%)	2,634,498	1,930,430	3,658,938
Including:						
Net profit attributable to shareholders and other equity holders of the parent company	1,974,005	2,477,802	(20.33%)	2,180,321	1,939,081	3,690,926
Non-controlling interest	297,956	556,126	(46.42%)	454,177	(8,651)	(31,988)
Net profit attributable to shareholders and other equity holders of the parent company after deducting non-recurring profit or loss	1,721,222	2,142,682	(19.67%)	1,343,090	1,706,490	3,579,162

Unit: RMB thousand

Assets and liabilities Items	As at 31 December					
	2015	2014	Changes from the previous year to this year (%)	2013	2012	2011
Total current assets	43,530,325	45,172,177	(3.63%)	41,169,668	38,346,189	40,727,025
Total non-current assets	63,232,846	42,604,004	48.42%	31,436,304	24,646,191	23,634,689
Total assets	106,763,171	87,776,181	21.63%	72,605,972	62,992,380	64,361,714
Total current liabilities	45,921,237	43,340,077	5.96%	32,576,349	25,540,032	31,236,333
Total non-current liabilities	25,347,058	17,153,989	47.76%	15,533,495	15,335,191	11,511,709
Total liabilities	71,268,295	60,494,066	17.81%	48,109,844	40,875,223	42,748,042
Equity attributable to shareholders and other equity holders of the parent company	28,541,319	22,290,314	28.04%	20,674,037	19,513,176	18,633,154
Equity attributable to non-controlling interest	6,953,557	4,991,801	39.30%	3,822,091	2,603,981	2,980,518
Total equity	35,494,876	27,282,115	30.10%	24,496,128	22,117,157	21,613,672

Chapter II | Summary of Accounting Data and Financial Indicators

Unit: RMB thousand

Cash flow items	For the year ended 31 December					
	2015	2014	Changes from the previous year to this year (%)	2013	2012	2011
Net cash flows from operating activities	(3,610,223)	6,434,477	(156.11%)	2,749,926	2,242,919	2,254,437
Net cash flows from investing activities	(12,584,781)	(11,553,782)	(8.92%)	(6,504,459)	(1,559,348)	(3,576,060)
Net cash flows from financing activities	16,505,663	3,940,986	318.82%	3,632,937	(2,889,667)	4,507,951

Key financial indicators	Changes from the previous year to this year (%)					
	2015/ As at the end of 2015	2014/ As at the end of 2014	2013/ As at the end of 2013	2012/ As at the end of 2012	2011/ As at the end of 2011	
Basic earnings per share attributable to shareholders of the parent company (RMB/share)	0.72	0.93	(22.58%)	0.82	0.73	1.39
Diluted earnings per share attributable to shareholders of the parent company (RMB/share)	0.71	0.92	(22.83%)	0.81	0.73	1.37
Net cash flows from operating activities per share (RMB)	(1.35)	2.41	(156.02%)	1.03	0.84	0.85
Net assets per share attributable to shareholders of the parent company (RMB/share) (Total shares based on ordinary shares outstanding at the end of the year)	8.90	8.34	6.71%	7.77	7.33	7.00
Weighted average return on net assets (%)	8%	12%	(4%)	11%	10%	21%
Weighted average return on net assets after deducting non-recurring profit or loss (%)	7%	10%	(3%)	7%	9%	20%

Chapter II | Summary of Accounting Data and Financial Indicators

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

Unit: RMB thousand

	2015			
	The first quarter	The second quarter	The third quarter	The fourth quarter
Revenue	14,580,630	18,056,659	12,633,858	13,414,657
Net profit attributable to shareholders of the parent company	497,427	1,020,768	206,403	249,407
Net profit attributable to shareholders of the parent company after deducting non-recurring profit or loss	360,905	773,601	323,493	263,223
Net cash flows from operating activities	150,386	(775,839)	(1,338,468)	(1,646,302)

Significant differences exist between the above financial indicators or their sums and the related financial indicators in the quarter reports and semi-annual reports disclosed by the Company

Yes No

Chapter II | Summary of Accounting Data and Financial Indicators

IV. NON-RECURRING PROFIT OR LOSS ITEMS AND AMOUNTS OF THE GROUP FOR THE LATEST THREE YEARS

Unit: RMB thousand

Items	2015	2014	2013
Loss on disposal of non-current assets	(17,588)	(33,210)	(23,297)
Government grants recognised in profit or loss for the current period	298,893	294,996	155,423
Gains from the excess of the fair value of attributable identifiable net assets of the investee upon acquisition over the cost of acquisition	–	–	35,017
Remeasurement of the fair value of equity interest in the acquiree held prior to the acquisition date to recognise investment gains or loss	–	41,863	(4,792)
Gains or losses from changes in fair value arising from holding financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss, and investment gains or loss arising from disposal of financial assets at fair value through profit or loss, financial liabilities at fair value through profit or loss and available-for-sale financial assets, except for the effective hedging activities relating to the Group's ordinary activities	56,964	(127,662)	751,148
Net gains or loss from disposal of subsidiaries	3,333	(8,278)	915
Reversal accounts receivable provided for bad debts on an individual basis	12,461	80,784	7,110
Fund appropriation fee received from non-financial institutions recognised in the profit/loss for the period	–	–	4,793
Other non-operating income and expenses other than the above items	(18,689)	10,756	24,742
Other profit/loss items defined as non-recurring profit/loss items	18,330	155,860	–
Effect of income tax	(84,562)	(38,082)	(83,152)
Effect of minority interests (after tax)	(16,359)	(41,907)	(30,676)
Total	252,783	335,120	837,231

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

Applicable Not Applicable

Chapter II | Summary of Accounting Data and Financial Indicators

V. ITEMS AT FAIR VALUE

Unit: RMB thousand

	Balance at beginning of this year	Profit and loss arising from fair value changes in this year	Cumulative changes in fair value recognised in equity	Impairment provisions accrued in this year	Balance at end of this year
Financial assets:					
1. Financial assets at fair value through profit or loss in the Reporting Period (excluding financial derivatives)	403,709	(56,193)	–	–	122,171
2. Financial derivatives	22,741	70,465	–	–	30,878
3. Hedging instruments	1,219	–	(4,074)	–	–
4. Financial assets available for sales	6,514	–	(3,240)	–	31,342
Total financial assets	434,183	14,272	(7,314)	–	184,391
Financial liabilities	(177,541)	(117,303)	–	–	(306,240)
Total	256,642	(103,031)	(7,314)	–	(121,849)

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

- Differences in net profits and net assets prepared under International Accounting Standards and CASBE
 Applicable Not applicable
- Differences in net profits and net assets prepared under foreign accounting standards and CASBE
 Applicable Not applicable
- Reason for differences in accounting data under domestic and foreign accounting standards
 Applicable Not applicable

Chapter III

Chairman's Statement

Dear Shareholders,

I am pleased to submit to you the annual report of the Group for the year ended 31 December 2015 for your review. I would also like to express my sincere gratitude for your long-term care and support on behalf of the Board.



In the past 2015, the global economy continued its slow growth rate. Under the background that international trade and investment remained in the doldrums; crude oil prices frequently hit record lows; financial and foreign exchange markets were volatile; and economic and financial policies of major economies in the world differentiated, the road to recovery of the global economy remained bumpy and arduous. The Chinese economy has entered into a “new normal” with middle-rate development. The economic growth slowed down and the economic structure suffered heavy adjustment pressure. Accordingly, the Group’s major business segments were affected to different extents. The full-year revenue and profit declined as compared with the same period of previous year.

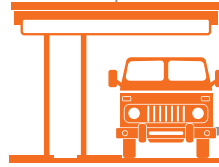
During the Reporting Period, by capitalising on its diversified industrial structure and global footprint, the Group overcame difficulties and took prompt actions in responses through such measures as business transformation and upgrading, management model transformation, global expansion and international M&A, innovation in product technologies and business models, and risk control in respect of asset safety and operation compliance, to strive to reduce the multiple pressure from economic volatility and restructuring, thereby achieving sound development in its production and operation basically. Besides, it proactively performed its corporate social responsibilities.

Main Business Segments

**Containers
Manufacturing
Business**



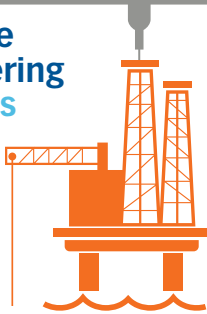
**Road
Transportation
Vehicle
Business**



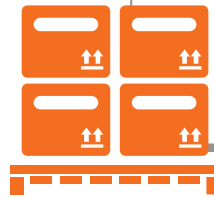
**Energy,
Chemical
& Liquid Food
Equipment
Business**



**Offshore
Engineering
Business**



**Logistics
Service
Business**



**Heavy
Truck
Business**



**Airport
Facilities
Equipment
Business**



**Real Estate
Development
Business**



**Financial
Business**



Chapter III | Chairman's Statement

OPERATING RESULTS

In 2015, the Group's revenue reached RMB58.686 billion (2014: RMB70.071 billion), representing a year-on-year decrease of 16.25%; the net profit attributable to shareholders and other equity holders of the parent company amounted to RMB1.974 billion (2014: RMB2.478 billion), representing a year-on-year decrease of 20.33%; and the basic earnings per share amounted to RMB0.72 (2014: RMB0.93 per share). During the Reporting Period, the profits of container business achieved growth; the profits of road transportation vehicle business, logistics service and business of the airport segment declined; the profits of energy, chemical and liquid food business saw sharp falls; the offshore engineering business recorded losses; while finance and real estate businesses reported a significant increase in profits.

BUSINESS DEVELOPMENT

During the Reporting Period, the Group's diversified business structure has been further optimised, while the ratio of income from businesses concerning China's strategically emerging industries increased as it made arrangements in advance for coping with challenges. Major business segments all achieved breakthroughs in terms of cross-border mergers and acquisitions, business expansion and capital operation.

The container manufacturing business proactively integrates and optimises the existing capacity arrangement to propel upgrading in an all-round way. During the year, the largest Modular Building undertaken in the world, being Shenzhen Qianhai Business Innovation Centre project, became a new landmark in Qianhai Free Trade Area. Besides, during the year, the Group won the anti-dumping and countervailing investigation case in the U.S. against its containers after one year's efforts, achieving historic victory for the Chinese manufacturing.

The road transportation vehicle business continues to promote its global operation and management. Focus was put on exploring new and innovative businesses while existing businesses were strengthened and emphasis was paid on investments in respect of technological upgrading and marketing network construction. During the Reporting Period, substantial growth was achieved in the North American market and emerging markets of the road transportation vehicle business, while maritime skeleton trucks achieved significant growth in the North American market, and tank trucks tapped into the emerging market in Saudi Arabia, implying that the global operation strategies recorded remarkable achievements.

The Group's energy, chemical and liquid food equipment business adheres to providing quality products and services to its customers. By capitalising on its advanced R&D capability, it also conducts R&D of new products and projects to develop business opportunities. Based on organic growth and constant innovation, CIMC Enric enhanced its core competitiveness and strengthened the consolidation of the newly acquired enterprise following the merger so as to strive for becoming a one-stop solution provider.

The offshore engineering business is facing pressure from the continually low international oil prices. However, the Group took the initiative in responding to the industrial difficulty. During the Reporting Period, it still achieved significant breakthroughs in delivery of orders on hand, such as the successful spudding of "COSL Prospector" in the South China Sea. Meanwhile, the business segment proactively promoted the standardisation and seriation of the projects and strengthened the supporting capacity of the core equipment during the year.

While reinforcing its existing business, the logistics services business, leveraging on its strengths in "equipment + services" and taking advantage of the integration of logistics equipment and logistics services, takes professional logistics as a starting point to implement the multimodal transport system and integrate advantageous resources to develop the cross-border logistics business, thus providing its customers with valuable and integrated logistics solutions.

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The airport facilities equipment business focuses on the business consolidation and collaboration after overseas acquisitions. Upon the accomplishment of equity swap between Ziegler and CFSE, the Company became the largest shareholder of CFSE, making its advantageous resources able to realise a mutual collaboration and be shared under the coordination of the Group, and to form stronger market competitiveness. Consolidation activities perform well and have laid the foundation for future growth.

The real estate business took an initiative in trying out industrial estate. The first phase of the first industrial estate project of the Group – Dongguan CIMC Intelligence Valley was put into operation during the year and a batch of famous enterprises including the headquarters of CIMC Containers and Beijing Cisri-Gaona Materials & Technology Co., Ltd. were introduced, therefore, a CIMC cloud entrepreneur service platform was established and a mode for development and operation services within the industrial park zone was preliminarily set up.

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As for the financial business, it has carried out the Group's strategy of integration of industry and finance, continued to improve cash management, and enhanced the utilisation efficiency and effectiveness of internal funds of the Group, so as to facilitate the Group's strategic expansion, business model innovation, industrial structure optimisation and overall competitiveness enhancement with its diversified financial service portfolio.

MANAGEMENT REFORMS AND DEVELOPMENT STRATEGIES

In 2015, the Group proceeded with the reform activities named "upgrading" to conduct business transformation and upgrading and change of management model for operation. After the joint efforts of Group Head Office and business segments, the upgrading activities have achieved good results, optimised the business structure and promoted the healthy development of the Group. So far, the Group has formed the "manufacturing + services + finance" pattern spanning both logistics and energy fields, and has developed major business segments with industry leading position and good prospects. Our professional core management team for business segments have been established to effectively undertake and support strategic management and operation of the business segments. We have established the Group's management model with strategic management at the core, basically built 5S System based on hierarchical management, and developed strategic planning, business plans, management reporting, performance evaluation, internal control audit and other mechanisms and processes, thus ensuring the effective progress of the Group's overall strategy. We have also built up the operating mechanisms for the Group's executive committee and special committees to enhance the scientific value of decision-making and avoid major risks.

During the Reporting Period, actively responding to the state strategy of the "Belt and Road" and "Made in China 2025 Planning", the Group has conducted preliminary research and exploration on various areas including intelligent manufacturing, Industry 4.0 and "Internet plus". With the support of the national industry policies, we continued to develop the offshore engineering industrial chain covering construction, research and design, finance and service and made planning and layout for high-end services, particularly maritime financial service based on the development of Qianhai & Shekou Free Trade Area in Shenzhen. Based on the existing major business segments, including offshore engineering, vehicles, energy and chemical equipment, finance and modern logistics, "three major engines", including capital management, innovative business and the existing business, will be leveraged in the future for a "new CIMC". As part of its efforts to proactively support internal entrepreneurship projects, the Group invested to set up Shenzhen CIMC Electricity Commerce and Logistics Technology Co., Ltd. in late 2014. With a goal to become a supporting logistics and e-commerce service provider, the newly established company is committed to building a public community logistics platform system, so as to create an Internet-based life ecosystem. Our business deployments in the cities, including Shenzhen and Guangzhou, were basically completed by Shenzhen CIMC Electricity Commerce and Logistics Technology Co., Ltd. in 2015.

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During the Reporting Period, the Group also reported significant progress in respect of protection of intellectual property rights: winning the retrial in the Supreme Court in relation to the patent right safeguarding case concerning the APC transport platform for CIMC's North American containers; the right safeguarding case concerning A380 boarding bridges of the airport facilities equipment segment being selected as one of the Guangdong Top 10 Cases for Intellectual Property Rights; the patent for Yantai Raffles' semi-submersible crane platform being awarded the China Patent Awards; the issue of the White Paper on CIMC's 2015 Work on Intellectual Property Rights by the Group. Intellectual Property Rights play a necessary and important role in the Group's process of development, and will continue to provide important supports and guarantees for the Group's leapfrog development in the future.

CORPORATE GOVERNANCE

In 2015, the Company constantly enhanced the Company's governance system, improved its standardised operation and optimised its internal control system in compliance with the requirements of laws and regulations, including the PRC Company Law, PRC Securities Law, Corporate Governance Guidelines for Listed Companies and those issued by the CSRC, as well as the standards for the corporate governance of listed companies by CSRC Shenzhen Bureau, Shenzhen Stock Exchange and the Hong Kong Stock Exchange. In 2015, the Company was granted the title of "Top 100 Listed Companies Most Respected by Investors for 2014" jointly appraised by China Association for Public Companies, China Securities Investor Protection Fund Corporation Limited and Securities Association of China. The secretary of the Board of the Company (Mr. Yu Yuqun) was commended once again by the CSRC Shenzhen Bureau.

After the successful conversion of B Shares to H Shares in 2012, the Company actively tried to conduct the diversified ownership reform. In 2015, the Company completed the placement of H Shares to the management team and strategic investors, which would make the Company's equity interest structure more diversified, contribute to the dynamic integration of benefits of the management team and core employees with the Company's long-term development, and reflect the cultural philosophy of "people-oriented and mutual business", thus propelling the Company's long-term sustainable development.

CORPORATE SOCIAL RESPONSIBILITY

In 2015, following the vision and strategy of corporate social responsibility, the Group has taken sustained and effective measures and actions, and assumed more social responsibilities, striving to become an eco-enterprise capable of coordinating all stakeholders for a balanced development. We have achieved improvements and progress in science development, new industrialisation, fair operations, environmental conservation, production safety, rights and interests of customers and consumers, win-win cooperation, employee relations, community involvement and development. The Group upheld the sustainable development featuring safety, environmental protection and green concepts, and our efforts in corporate social responsibility have been generally recognised by customers, governments, international organisations and media etc.

Chapter III | Chairman's Statement

DIVIDEND DISTRIBUTION

Based on the Group's 2015 operating results and taking into full account the Group's overall finance and cash flows situation, the Board recommended a final dividend of RMB0.22 per share (including applicable taxes) for the year of 2015. The proposed dividend is expected to be payable on or around 20 July 2016. The annual dividend distribution plan for 2015 shall be submitted to the Company's annual general meeting for consideration and approval.

FUTURE PROSPECTS

In 2016, the global economic development will remain in face of heavy challenges. The U.S. economic recovery trend will be increasingly clear. The Europe and Japan will continue to implement easy monetary policies with the economies likely to improve. As the U.S. dollars have entered into the cycle of interest rate increases and prices of commodities are substantially volatile, the emerging economies will suffer more uncertainties in respect of their development. Restructuring and industrial transformation will be conducted in the "new normal" of the Chinese economy, and the downside trend of the domestic economic growth is expected to stabilise and will head for a new phase of steady growth.

It is expected that, in 2016, the global container transportation trade volume will likely rebound. However, the capacity oversupply situation is expected to continue. The global container demand is expected to remain sluggish. As the economies in Europe and the U.S. recover, the North American business of the Group's road transportation vehicle business segment is worth expectations. Further strategic integration will be carried out among the European businesses, and the emerging markets will have a relatively large room for development due to the benefit brought forth by the implementation of the "Belt and Road" initiatives. Under the impact of the periodic industrial fluctuation, the growth of energy, chemical and liquid food equipment business of the Group slowed down in short term, while the long-term development prospect is still promising. The operation of offshore engineering equipment business of the Group suffered pressure from the low oil prices in short term, however, in the medium to long term, as the oil prices would rally along with the anticipated recovery of global energy demand, the offshore engineering business will pick up its growth momentum. Benefited from the implementation of China's various opening-up policies, the logistics service business of the Group is expected to embrace larger market demand and broader room for development.

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2016 is the beginning year of the 13th Five-Year Plan for National Economic and Social Development of the PRC (the "13th Five-Year Plan"). According to the new vision of innovative, coordinated, green, open and inclusive development promoted at the Fifth Plenary Session of the 18th Communist Party of China Central Committee, the dynamism of China's economic growth will shift entirely from cost-effective economic factors to innovative development. The Chinese government vigorously promoted industrial transformation and upgrading, founded the Asian Infrastructure Investment Bank and Silk Road Fund, decentralised the power to examine and approve outbound investments, and encouraged the "going global" of major equipment and superior production capacities to take part in international market competition. China will further push forward internationalisation of Renminbi settlement, promote connection of stock market with international standards, support the development of strategic emerging industries and encourage universal implementation of innovation. China's constant efforts to deepen reforms have brought tremendous opportunities for the transformation and upgrading and the long-term development of the Group.

Looking to 2016, the global market environment and development trend will be changed. Under such new circumstances, the Group will continue to persistently adhere to the cultural philosophy of "people-oriented and mutual business", unswervingly pursue industrial transformation and upgrading, organisation reform and business innovation, and make major breakthroughs to enhance its competitive edge, in a bid to achieving healthy and sustainable development. This is an era full of challenges and opportunities. The Group will, capitalising on the driving forces of the "three engines", strive to grasp historic opportunities, cater to the changing times and enhance capabilities, aiming at becoming a leading and diversified multinational industrial group.

Wang Hong

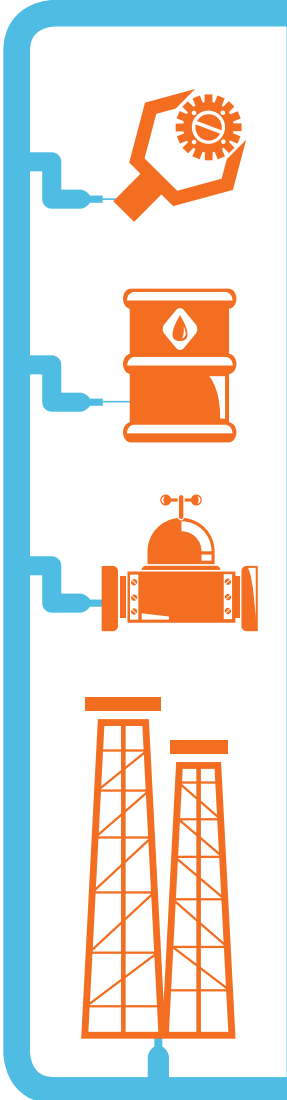
Chairman

Shenzhen, the PRC

29 March 2016



CIMC has established production bases throughout Asia, Europe, North America and Australia, forming a business network radiating the globe together with increasing sales and service companies.



Containers	Australia / England Dongguan / Yangzhou / Suining / Hulun Buir / Tianjin / Qingdao / Xuzhou / Nantong / Taicang / Shanghai Jiaxing / Ningguo / Ningbo / Zhangzhou / Shenzhen / Xinhui / Quzhou
Vehicles	America / Germany / Netherlands / Saudi Arabia / Australia / Thailand Shenzhen / Jiangmen / Zhumadian / Luoyang / Shanghai / Yangzhou / Wuhu / Ji'nan / Qingdao / Liangshan / Yingkou Xi'an / Baiyin / Urumqi / Chengdu / Dongguan
Energy, Chemical & Food Equipment	Germany / Netherlands / Denmark / Belgium / America / Columbia / Australia / Russia Thailand / India / Vietnam / Nantong / Shijiazhuang / Zhangjiagang / Langfang / Jingmen / Bengbu Beijing / Dalian / Nanjing / Shanghai / Taipei



Logistics

Thailand / Hong Kong / Dalian / Beijing / Tianjin / Qingdao / Yantai / Lianyungang / Yancheng / Shanghai / Ningbo / Wuhan / Nanchang
Guangzhou / Shenzhen / Fuzhou / Xiamen / Kunming

Offshore

Turkmenistan / Brazil / Singapore
Sweden / Yantai / Shanghai / Longkou / Haiyang

**Airport
Facilities**

Singapore / Germany / Netherlands / Croatia / France / Indonesia
Beijing / Shenzhen / Suzhou

**Industrial
& City
Development**

Shenzhen / Yangzhou / Jiangmen / Yangjiang / Zhenjiang / Dongguan

Finance

America / Australia / Shenzhen / Hong Kong

Others

Surinam

Chapter IV

Report of the Board

I. BUSINESS SUMMARY

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

During the Reporting Period, there was no material change in the principal business model of the Group. During the Reporting Period, the products and businesses contributing 10% or more to the Group's revenue included container manufacturing, road transportation vehicles, energy, chemical and liquid food equipment, offshore engineering and logistics services.

II. REVIEW OF PRINCIPAL BUSINESSES DURING THE REPORTING PERIOD

1. Overview

In 2015, the global economic recovery remained slow; international trade and investment remained in the doldrums and crude oil prices frequently hit record lows, under such a background, the development of developed economies and emerging economies differentiated. The U.S. economy revived moderately and its U.S. dollars entered into the rate increase cycle. The European economy improved slightly overall. Affected by the weak external demand, U.S. dollars appreciation and other factors, the emerging markets and developing economies continued to slow down their growth. China's economic development entered into a "new normal", with economic growth slowing down, resulting in a moderate annual GDP growth of 6.9%.

During the Reporting Period, the Group's revenue amounted to RMB58.686 billion (2014: RMB70.071 billion), representing a year-on-year decrease of 16.25%, and its net profit attributable to shareholders and other equity holders of the parent company amounted to RMB1.974 billion (2014: RMB2.478 billion), representing a year-on-year decrease of 20.33%. Its basic earnings per share was RMB0.72 (2014: RMB0.93), representing a year-on-year decrease of 22.58%. Among the Group's principal businesses, the revenue of container, road vehicle and logistics service businesses declined; the energy, chemical and liquid food business and the offshore engineering business recorded sharp falls in their revenues due to sluggish industrial environments; the airport facilities equipment business remained basically stable in its revenue; while real estate and finance businesses reported a significant increase in their revenues.

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Consolidated Operating Results

Unit: RMB thousand

	2015	2014	Percentage change (%)
Revenue	58,685,804	70,070,855	(16.25%)
Operating profit	2,943,736	3,297,874	(10.74%)
Net profit attributable to shareholders and other equity holders of the parent company	1,974,005	2,477,802	(20.33%)
Net cash flows from operating activities	(3,610,223)	6,434,477	(156.11%)
Net increase/(decrease) in cash and cash equivalents	323,872	(1,246,245)	126.00%

2. Review of Operations of Major Business Segments

Container Manufacturing Business

The Group's container manufacturing business mainly deals with standard dry containers, reefer containers, special reefers and Modular Building. The Group has the capacity to produce a full series of container products with independent intellectual property rights. The special reefers and Modular Building business mainly include 53-foot inland North American containers, European wide containers, bulk containers, special reefer containers, foldable containers, Modular Building and other products. During the Reporting Period, the Group remained at top No. 1 in terms of output and sales of containers in the industry.

In 2015, due to the slowdown in global trade and the sharp decline in growth of container trade, customer demand for containers slowed down, leading to the market demand subdued. Although fuel costs continued to decrease, intensified supply and demand imbalances in the shipping industry and deteriorating profits of container shipping companies resulted in weakened container purchases from customers. In addition, the high container inventory in the industry also needed to be digested. Affected by these, the annual overall capacity across the container manufacturing industry shrunk and the competition pattern of the industry was relatively stable with intensified competition.

In 2015, the Action Plan for Air Pollution Prevention and Control was continuingly and thoroughly carried out in all regions in China domestically for further strengthened control on multi-pollutants, strict enforcement and supervision on environmental protection, and improvement on the environment and air quality. The implementation of the plan brought not only pressure in environmental protection to China's traditional manufacturing industries such as the container industry, but also opportunities for their transformation and upgrading. In terms of emissions of volatile organic chemicals (VOCs), the application and promotion of environment-friendly technologies or materials, represented by water-based paint, solvent recovery, environmental protection floor, and cyclopentane blowing agent (replacing Freon) etc., will be accelerated in the container industry.

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During the Reporting Period, the total sales of the Group's ordinary dry containers were 1,120,300 TEUs (2014: 1,385,300 TEUs), representing a year-on-year decrease of 19.13%. The total sales of reefer containers were 181,400 TEUs (2014: 128,800 TEUs), representing a year-on-year increase of 40.84%. The container business recorded revenue of RMB21.071 billion (2014: RMB23.813 billion), representing a year-on-year decrease of 11.51%, and the net profit was RMB996 million (2014: RMB710 million), representing a year-on-year increase of 40.21%. The ordinary dry containers achieved sales revenue of RMB11.386 billion (2014: RMB15.953 billion), representing a year-on-year decrease of 28.63%; reefer containers achieved sales revenue of RMB5.168 billion (2014: RMB4.225 billion), representing a year-on-year increase of 22.31%; special reefers and Modular Building achieved sales revenue of RMB4.491 billion (2014: RMB4.198 billion), representing a year-on-year increase of 6.96%. During the year, the decrease in revenue was mainly due to the decline in the selling prices of containers resulting from ongoing falls in costs of steel and other raw materials and the reduction of total orders caused by weak demand; the increase in net profit was mainly attributable to the growth of the reefer container business.

In 2015, the container business of the Group took response to the rapid changes in orders and the market with its optimised organisational structure, therefore, its market share in the global container market steadily rose. In the first half of 2015, the Group seized the favourable opportunity brought by a recovery in the market and continued to increase the production efficiency to meet the market demand during the peak period through exploring internal potentials. In the second half of the year, being a slack period, the Group implemented technological upgrading and environmental protection projects and continued to promote the entire upgrade of the container business. During the Reporting Period, the relocation project of dry cargo containers in Fenggang of Dongguan City and relocation of the Qingdao cold chain industry park project were in an orderly way, and the annual investment in technological upgrading projects achieved an implementation rate of above 85%. When expanding into the overseas markets, the Modular Building business also actively explored opportunities in the domestic market. Shenzhen Qianhai Business Innovation Centre, the largest modularised office building project in the world undertaken by CIMC Modular Building, was completed smoothly. This project only took half of a year from contract signing to delivery.

During the Reporting Period, the Group finally won the anti-dumping and countervailing investigation case in the U.S. against its containers after one year's efforts, achieving historic victory for the Chinese manufacturing. For more details, please refer to the announcement published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 20 May 2015, and the announcements disclosed in China Securities Journal, Shanghai Securities News, Securities Times, Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) ([CIMC] 2015-033) on 21 May 2015. Furthermore, the Group (as a plaintiff) won the case of a seven-year's dispute over a patent infringement on the APC transport platform for its inland North American containers. Upholding the value of respecting the intellectual property rights, the Group safeguarded its legal rights and interests of its shareholders, which was also beneficial to improve the industry environment and the sustainable development of the container industry at the same time.

Road Transportation Vehicle Business

With a strategic vision of "relying on domestic competitive strengths to offer global customers first-class land logistics equipment and services" and adhering to the strategic development of the full value chain businesses including the design and development of products, manufacturing and delivery of products, sales and services, customer tracking and feedback and others, CIMC Vehicle, a subsidiary of the Group, has established different product lines for special vehicles consisting of 10 series and more than 1,000 models, including container semi-trailers, flatbed/staked-side semi-trailers, low-flatbed semi-trailers, vehicle loaded semi-trailers, stake trucks, van trucks, tank trucks, dump trucks, sanitation trucks and special vehicles.

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In 2015, the world economy remained in slow recovery. The demand for semi-trailers in the North American market continually recovered. The demand for semi-trailers in the European market remained weak. The economies in emerging markets were mixed on falling international oil prices. GDP and fixed assets investment growth slowed down in China. The growth of sales of special vehicles domestically declined to a large extent.

The Chinese government developed several strict control policies in 2015 to tighten standards for and improve the levels of the supervision and regulation of the special vehicle industry. The State's mandatory standard "Limitation on Overall Dimensions, Axle Load and Weight" to be promulgated soon will phase out the old vehicles. The advanced vehicles such as more environment-friendly side-curtain vehicles and refrigerator trucks are encouraged in the market to increase the transportation efficiency of semi-trailers. Many management standards for vehicles used to transport hazardous chemicals were in place to improve the quality and safety performance of tank trucks. From 1 July, the handling of declaration of relevant new products was suspended by China and the installation of emergency shutdown devices was mandatory for the non-compliant manufacturers of pressure-bearing tank trucks and tank trucks for hazardous goods under constant pressure. Pursuant to the Circular on Printing and Issuing the 2014 Implementation Solutions for the Elimination of Yellow Sticker Vehicles and Scrap Vehicles published by China's Ministry of Environmental Protection, it is expected to basically phase out the yellow sticker vehicles in Beijing-Tianjin-Hebei, Yangtze River Delta and Pearl River Delta by the end of 2015; and all yellow sticker vehicles nationwide by the end of 2017. With the introduction of several standards and regulations, the industry would set on a path to standardise development.

During the Reporting Period, the road transportation vehicle business of the Group recorded a slight decline in its sales. During the year, the total sales were 113,900 units (sets) (2014: 115,200 units (sets)), representing a year-on-year decrease of 1.13%. The sales revenue was RMB12.862 billion (2014: RMB13.390 billion), representing a year-on-year decrease of 3.95%. The net profit was RMB572 million (2014: RMB648 million), representing a year-on-year decrease of 11.71%. During the Reporting Period, despite of its substantial growth and outstanding performance in the North American market and emerging markets, the road transportation vehicle business recorded a slight decline in both its annual sales revenue and net profit due to the sluggish demand in the Chinese market.

During the Reporting Period, the Group made targeted deployments according to the market trend and promoted the global operation management steadily. While strengthening its existing business, it focused on exploring the incremental business and the innovation business and making investments in terms of technological upgrading and marketing network construction. In respect of the domestic market: affected by the sharp fall in the growth of sales of special vehicles domestically, the sales of construction vehicles and semi-trailers of the Group declined on a year-on-year basis in 2015. However, due to proper operating strategy adjustments, the year-on-year decrease of domestic sales of the Group was smaller than that of the Chinese special vehicle industry and its market share rose against the trend. In respect of overseas markets: (1) in the North American market, capitalising on the market opportunities arising from the U.S. economic recovery, the Group recorded significant growth in the orders for its major products including dry cargo van trucks, refrigerator trucks and skeleton trucks and both its revenue and profit sharply increased as compared with the same period of previous year; (2) in the European market, further consolidation was conducted for the European business and the ordinary semi-trailer business was revived. During the Reporting Period, the factory in Poland was completed and put into operation; the Group tapped into the Russian market and the peripheral markets of Russia; (3) in the emerging markets, the Group increased its efforts on expanding the markets in the Southeast Asia and the Middle East with assembly centres established in Saudi Arabia, Vietnam and Hong Kong. During the year, the market share of the vehicle business of the Group in Saudi Arabia and Vietnam increased to 45% and 60% respectively. In addition, the vehicle business of the Group commenced construction of a platform for seven major technical products, accelerated the upgrading of manufacturing technologies and techniques fully and promoted the materialisation of semi-trailer technology upgrades and green and environmental protection product concepts in the factories in China, Europe, emerging markets and U.S.

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During the Reporting Period, CIMC Vehicle introduced several strategic investors to establish a diversified and balanced shareholding structure so as to achieve the growth objectives for the next stage with a more aggressive attitude.

Energy, Chemical and Liquid Food Equipment Business

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

In 2015, as the international oil price was traded in a low level and the Chinese government has been conducting the natural gas pricing reform in recent years, the price advantage of natural gas as an alternative fuel was notably weakened, undermining the momentum of the "oil to gas" projects in China and the attraction of natural gas as an alternative fuel. Consequently, the sales of natural gas equipment, in particular LNG trailers, LNG fuel tanks and LNG gas stations declined to different extents as compared with the previous year. Affected by these, the energy equipment segment of the Group recorded a significant fall in its turnover. Although the turnover of special tank containers grew strongly, the fall in demand for standard tank containers resulted in the fall in turnover of the chemical equipment business. The liquid food equipment business also recorded a decline in respect of its revenue, due to the declining contribution of turnover from the European subsidiary and the depreciation of the Euro against the Renminbi.

During the Reporting Period, the energy, chemical and liquid food equipment business of the Group recorded revenue of RMB9.305 billion (2014: RMB12.916 billion), representing a year-on-year decrease of 27.96%. The net profit was RMB475 million (2014: RMB1,044 million), representing a year-on-year decrease of 54.51%. The revenue from the energy equipment business of CIMC Enric was RMB3,397 million (2014: RMB5,422 million), representing a year-on-year decrease of 37.40%; the revenue from the chemical equipment business was RMB2,710 million (2014: RMB3,383 million), representing a year-on-year decrease of 19.90%; and the revenue from the liquid food equipment business was RMB2,135 million (2014: RMB2,462 million), representing a year-on-year decrease of 13.30%.

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

During the Reporting Period, the energy equipment segment of CIMC Enric is committed to increasing its market share of the core products in the PRC and further improving the production efficiency through production technique innovation, continuous development and improvement of products and procurement control. Meanwhile, such segment proactively explored new businesses and conducted several successful R&D projects during the year, such as LNG tanks with a capacity of 30,000 m³, LNG gas stations in compliance with the American standards, unpiloted LNG gas stations, new large-diameter winding cylinder/tank/vehicle series products, high pressure hydrogen storage cylinders and hydrogen vehicles and large-scale process compressors, of which some new products have been launched to market. Besides, efforts were increased to expand the R&D project of LNG water application equipment and the equipment used for different energies.

Chapter IV | Report of the Board

The chemical equipment segment is committed to the provision of chemical logistics solution, with a view to providing one-stop services for industrial gas and liquid chemical industrial gas consumers. Such segment actively expanded the special tank containers business. During the year, various R&D projects were conducted, such as 20-foot ISO tank containers (gross weight: 39 tonnes), mobile underpan tank containers with lightweight structures, internationally universal low-temperature 20-foot tank containers, 20-foot tank containers with a super-large capacity of 30 m³ and new internationalised high-performance 40-foot LNG tank containers.

With integration of the assets of Ziemann Group acquired in 2012, the liquid food equipment segment has become a solution provider of comprehensive turnkey projects for beer makers and other liquid food manufacturers. Vertically, it continued to improve the contracting capability in the beer brewing field to build the full contracting capability of the beer plant; horizontally, it actively expanded business to other liquid food industries in addition to beer (such as fruit juice storage and dairy product processing). Following the capacity expansion in China and the market network expansion in Asia through the acquisition of Ziemann Holvrieka Asia Company Limited in the second half of 2014, this segment will continue to introduce the advanced production technologies and automated processing technologies from Europe to China. In light of its advanced beer production equipment and know-how, such segment will move forward towards the goal of possession of vertically integrated EPC contracting capability and horizontally diversified businesses (such as fruit juice storage and dairy product processing).

Offshore Engineering Business

CIMC Raffles, a subsidiary of the Group, is the offshore engineering enterprise integrating design, construction and tests, possessing the capability of mass and industrialised construction of high-end offshore engineering equipment and other special vessels as a contractor. It is also one of the leading contractors of high-end offshore engineering equipment in China and has been participating in the competition of the international market of offshore engineering business all the time. Its major businesses include the design and construction of Semi-submersible Drilling Platforms, semi-submersible crane platforms, Jack-up Drilling Platforms, jack-up accommodation platforms, gas compression jack-up units, Liftboat, floating production storage vessels, crane vessels, pipe-laying vessels, OSV, ocean tugs, mid-to-high-end yachts and other vessels with its products covering majority of offshore engineering products.

In 2015, the global crude oil market suffered oversupply and the prices have been traded at a low level. Due to increasing costs and strained cash flows, oil companies cut investments in exploration and development by approximately 25% as compared with 2014 and postponed the development of some large projects. Daily rentals and utilisation of offshore oil drilling equipment dropped. International oilfield service companies recorded losses. The delivery of new projects was postponed or the orders were cancelled. During the year, there was no new order on the Semi-submersible Drilling Platforms around the world; and there were only three orders on the Jack-up Drilling Platforms, representing a year-on-year decrease of approximately 90%. Overall, new orders for offshore engineering equipment also fell by over 70%. Therefore, increasing efficiency and reducing costs became an industry-wide management focus.

Amidst the severe international market environment, in 2015, a series of industrial policies beneficial to the Group's development in respect of the offshore engineering business were launched in China: implementation of the strategic concept of the "Belt and Road" has brought opportunities for the high-end marine engineering equipment in China in the development of offshore oil and gas alongside; according to the Guidance on the Finance Industry Providing Support for the Transformation and Upgrading of the Shipbuilding Industry approved by the State Council in April, CIMC Raffles will get more support in terms of credit financing and other respects

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as one of the first offshore engineering “whitelist” members; in the strategy of “Made in China 2025” issued by the State Council in May, the offshore engineering equipment industry became one of the ten areas with key development; in the same month, Li Keqiang, Premier of the State Council of China visited the world’s sole D90 project model of the 7th-generation ultra-deepwater Semi-submersible Drilling Platform developed by CIMC Raffles during his visit to the “Chinese Equipment Manufacturing Exhibition” in Brazil, and further proposed the idea of upgrading “Made in China” with “Chinese Equipment” in June; in November, the “13th Five Year Plan” of the state announced the ocean to be a new room for development in its initiatives, and stated that marine resources shall be developed scientifically for the purpose of participating in formulation of international rules for deep seas and polar regions; still in November, CIMC Raffles became one of the first batch of seven shipyards meeting the standards of the offshore engineering industry released by the Ministry of Industry and Information Technology of the state and enjoyed preferential treatments in terms of financing and credit and other supports from the state’s policies.

During the Reporting Period, the offshore engineering business of the Group recorded sales revenue of RMB7.957 billion (2014: RMB11.865 billion), representing a year-on-year decrease of 32.94%. Besides, the Group recorded a loss of RMB12 million (2014: a profit of RMB5 million). Such decrease in revenue was mainly attributable to the decrease in the project revenue which was recognised according to the stage of completion as compared with the same period of previous year.

During the Reporting Period, CIMC Raffles delivered one deepwater Semi-submersible Drilling Platform, three jack-up platforms and two semi-submersible transport vessels: in April, “COSL Prospector”, the fourth Semi-submersible Drilling Platform delivered by China Oilfield Services Limited, was driven to South China Sea and was completed for its first drilling in July; in May, the Jack-up Drilling Platform “CPOE 15” was delivered to CNPC Offshore Engineering Company Limited; in July, two 50,000-tonne semi-submersible transport vessels were delivered to 信群集團 and Zhenhua Heavy Industries at the same time; in September, a gas compression jack-up unit independently designed and constructed, was delivered to Coastal Contracts, a Malaysia-based company.

In respect of order construction: in June 2015, a deepwater semi-submersible living platform – CR600, 100% independently designed by CIMC Raffles, commenced operation; two D90s under construction of the world’s first 7th-generation ultra-deepwater Semi-submersible Drilling Platform progressed well since the operation commencement, and one of them held a ceremony of assembly in May; in November, upgrading services were provided to two ice-class Semi-submersible Drilling Platforms owned by foreign shipping companies; in the same month, the completion ceremony of “North Dragon”, the first Semi-submersible Drilling Platform built for the NSR (a Norwegian company) was held successfully in the base of Yantai and the upper and lower parts of the second Semi-submersible Drilling Platform were successfully assembled.

Since October 2010, CIMC Raffles has successfully delivered 8 Semi-submersible Drilling Platforms and 10 Jack-up Drilling Platforms, operating in North Sea of Europe, Brazil, West Africa, Middle East, Mexico, Caspian Sea, South China Sea and other mainstream offshore engineering markets globally with sound performances, winning recognition of mainstream markets and mainstream customers. As of the end of 2015, both the number of Semi-submersible Drilling Platforms and the number of Semi-submersible Drilling Platforms under construction delivered by CIMC Raffles occupied over 60% of the domestic market. CIMC Raffles has become the largest construction base of Semi-submersible Drilling Platforms in China, and is also the only domestic offshore engineering business which is capable of design and construction for mass Semi-submersible Drilling Platforms.

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As for R&D and design, the Group owned three design companies such as Bassoe Technology, Ocean Engineering Design & Research Institute of CIMC and Yantai CIMC Marine Engineering Academe, which located in Sweden, Shanghai and Yantai respectively, and functioned as the technology innovation platform, integrating the key enterprises in the industry, including U.S. ABS, Norway DNV and China CCS etc., educational and research institutions such as Ocean University of China, as well as design teams and core equipment vendors, to form a project-based collaborative R&D platform. Besides, a collaborative innovation platform, an international cooperation platform and a talent training platform with the offshore research institute as the carrier were established. In respect of economical deepwater Semi-submersible Drilling Platforms jointly developed by China and Europe, several breakthroughs were achieved in independent R&D.

Logistics Service Business

The logistics service business of the Group is committed to offering logistics solutions for customers in different industries by utilising a series of logistics equipment and technologies to improve the logistics in the industries. The development idea of the Group's logistics service business is to build and perfect the global logistics network distribution, give full play to the core advantages of equipment logistics, adhere to the principle of "cargo value most (以貨為王)", base on customer demands, and integrate with the concept of "Internet plus", to build CIMC logistics' full supply chain solutions covering "equipment+logistics+finance". The Group intensified its efforts on development of equipment logistics, multimodal transport, cross-border logistics and systemic container services. After the phased integration completed at the beginning of 2015, the existing business lines are divided into container services, project logistics, integrated logistics, equipment logistics and supply chain logistic.

In 2015, the feature of "steadily and gradually rising" was seen in operation of the domestic logistics industry. The contribution of consumption on the demand for logistics continued to improve and the international logistics demand also turned better. The logistics demand structure continued to be optimised. The expansion of logistics scale slowed down while the logistics operating efficiency increased. However, affected by slowdown of recovery of the global economy and declining growth in the logistics demand, logistics prices went down and have been in a low level while logistics businesses remained difficult. However, the Chinese logistics industry maintained better development opportunities with successive promulgation of relevant industry planning and national strategies, thorough reforms on the traditional logistics industry and quality and effectiveness improvement in the logistics industry from "Internet plus".

During the Reporting Period, the Group's logistics service business achieved sales revenue of RMB7.8 billion (2014: RMB8.473 billion), representing a year-on-year decrease of 7.94%, and net profit of RMB101 million (2014: RMB138 million), representing a year-on-year decrease of 26.73%.

During the year, the Group proactively explored operation channels by capitalising on the business lines of the logistics service industry while reinforcing existing businesses.

- In respect of the container services business: by capitalising on the positive policies of the "Belt and Road" and the Yangtze River Economic Belt, it strictly followed the pace of industrial transfer. Through such means as foreign joint ventures, cooperation with rail terminals and establishment of its own container yards, it expanded outlets in the down and middle stream of Yangtze River and South China at home and Southeast Asia abroad to set up an improved network platform for the purpose of forming the capability for systematised logistics solutions. It also established comprehensive cooperation with internationally first-class shipping companies, to achieve complementary businesses. Meanwhile, it focused on the full value chain of container services and developed the special reefer business such as reefer containers and container houses based on modern technological means including informationalisation. Through establishment of a "cloud" platform for container operations, integration of resources and information of container yards was achieved for provision of integrated logistics solutions to owners of container ships.

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- In respect of the integrated logistics business: by fully taking advantage of the port logistics resources and service advantages, it achieved smooth business cooperation with 北京首農集團. In the meantime, it focused on several product fields such as feed, forage grass, fruit, food and oil and gas, improved the entire industry chain with the integration of international procurement, logistics, finance, equipment, processing and sales, and finally achieved profits for multiple-segments. Following the development trend that cross-border e-commerce is encouraged across the country, capitalising on Tianjin's being approved as the eighth cross-border e-commerce pilot city nationwide, it vigorously promoted the design, system development and warehouse lease of the cross-border e-commerce business mode. It proactively explored the mode of commerce of "Logistics + Internet", independently researched and designed a transportation platform and basically identified the positioning and operating mode of the platform. The existing platform was consolidated and a coordinative platform with the transportation platform as the core and with CIMC characteristics was preliminarily formed.
- In respect of the project logistics business: the operation of semi-submersible vessels held by CIMC Logistics was sound in the Yamal LNG project cooperated by China and Russia. Sino-Worlink (Beijing) International Logistics Co., Ltd., whose consolidation was completed upon the acquisition, capitalised on its railway resource advantages to build the characteristic services of CIMC Logistics in the Belt and Road region and develop the characteristics of CIMC Logistics during the railway transformation so as to pursue business development opportunities and supplement the shortcomings of CIMC Logistics for the purpose of seeking business coordination opportunities for the Group's energy and chemical and vehicle business.
- In respect of the equipment logistics business: it preliminarily formed a sound situation with advancement in both manufacture of "standardised equipment" and services of "professional and standardised logistics and lease" based on the strategic objectives of "manufacture + service". The Group's existing businesses completely penetrated into the entire supply chain, including equipment manufacturing, packaging and leasing, in-bound logistics, on-line distribution, finished product delivery and complete set export. Originally high-quality businesses such as manufacturing of logistics equipment including pallet containers, sea transportation and highway transportation for 53-foot containers, solutions for BUSDECK skeletal containers (applicable in exporting commercial vehicles) and solutions for stainless steel IBC (applicable in the packaging of specialised chemicals) steadily developed. At the same time, it proactively promoted the preliminary development of steel logistics and intensively explored and arranged for the multimodal transport for containers.
- In respect of the supply chain logistics business: in 2015, it focused on combing the organisational management structure and improving the internal management. Combined with the comprehensive advantages of its own oversea network, shipment and ports, it proactively tried the supply chain business of imported fruit and accumulated the operating experience in the full industry chain of fruit to deepen the vertically integrated service solutions in targeted industries and products.

Heavy Truck Business

The Group operates the heavy truck business through its subsidiary C&C Trucks. C&C Trucks positions its products in the mid-end to high-end heavy truck market in the international market and the high-end heavy truck market in the domestic market with the product development strategy of "leading domestic techniques and following foreign techniques" and the development strategy of "making high-end products, providing quality services, and creating first-class brands". Its key products cover two kinds including diesel and oil, and four series including tractors, mixer trucks, dump trucks, cargo trucks and special-use vehicles.

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In 2015, the growth in domestic fixed assets investments slowed down and the real estate investments further declined. The infrastructure construction projects in numerous areas were operating under capacities. The traditional pillar industries suffered pressure of de-stocking and reducing production capacities and demand for heavy trucks slowed down with the weakening manufacturing industry overall. Meanwhile, with the national IV standard emission regulation implemented nationally at the beginning of the year, the national III standard trucks in stock were registered in advance at the end of 2014 and the prices of national IV standard trucks were higher than those of the national III standard trucks. The users' acceptance in some areas was not high. Affected by these, the overall sales of the domestic heavy truck market in 2015 fell over 25% as compared with the same period of previous year. In respect of product structure, the sales and its percentage of total sales of engineering vehicles decreased, and high-end and high-horsepower tractors became the mainstream of the industry. Driven by development of the logistics and transport industry, increase in efforts on anti-overloading and the phase-out policy for yellow-labelled vehicles, the number of orders for artery logistics tractors, hazardous chemical transport vehicles, and port tractors increased year on year. As the crude oil prices declined and the price mechanism reform of the natural gas lagged behind, the sale volume of natural gas heavy trucks dropped sharply.

Under a weak market environment and the overall decrease in sales of the heavy-duty truck industry, during the Reporting Period, C&C Trucks recorded sales revenue of RMB856 million (2014: RMB1,059 million), representing a year-on-year decrease of 19.13%, and recorded operating losses.

In 2015, C&C Trucks established a new management team, carried out a series of marketing activities through adjusting marketing functions, enriching the marketing teams and innovating the marketing mode and using the Internet, WeChat and other communication means. At the same time, it increased marketing efforts, launched new U and V series products and carried out more than 20 product promotion conferences, therefore, it continued to be awarded as the "Oil-saving Champion" of the eighth international truck oil-saving contest and was recognised as the title of "Tractor for 2016" in the National Selection of Annual Truck. In 2015, C&C Trucks increased efforts on improvement to the after-sale services and upgraded services, launched "smooth • fast experience" services, upgraded the intelligent management software of vehicles, i.e. "C&C Tong (聯合通)" and increased the timeliness and effectiveness of services through constantly optimising services and networks of accessories. In the meanwhile, it made great efforts to exert the synergistic effect of the Group, develop organisational customers and strengthen expansion of international markets.

Airport Facilities Equipment Business

The Group primarily operates its airport facilities equipment business through its holding company, Pteris (including CIMC-Tianda) and Ziegler. The Group also integrates and achieves synergy with its subsidiary CFSE over the advantages of resources, of which principal business includes boarding bridges and stereo garage business, fire truck and rescue vehicle business, automated logistics systems and operating vehicle (including shuttle buses and lifting platform vehicles etc.) business.

In 2015, the new demands for airport facilities equipment grew steadily. Furthermore, the steady urbanisation process in China was conducive to the development of the Group's fire and rescue vehicle business and the stereo garage business. As China's economic development has entered into a "new normal", competition in various businesses of the airport segment might be aggravated; consequently, the re-shuffle in the fire vehicle, automated logistics and stereo garage industries will be accelerated. Under such circumstance, the Group's airport facilities equipment business may find new room for development through grasping opportunities brought forth by changes in the market.

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During the Reporting Period, the Group's airport facilities equipment business recorded sales revenue of RMB2.820 billion (2014: RMB2.727 billion), representing a year-on-year growth of 3.41%. It achieved net profit of RMB62 million (2014: RMB87 million), representing a year-on-year decrease of 28.17%. Such decrease in net profit was mainly attributable to the decrease in the profit from fire vehicle business.

During the Reporting Period, the Group's airport facilities equipment business achieved its desired development goals and accomplished its business plans.

- Boarding bridge business: continued to record steady growth in its revenue and profitability, with the international marketing network further improved and the competitiveness in the global market further enhanced. The stereo garage business focused on the development of the basic business, which significantly strengthened its technical and manufacturing capability.
- Fire trucks and rescue vehicles business: Ziegler achieved a breakthrough in the Chinese market in 2015, preliminary presenting the effectiveness of business integration. On 27 February 2015, the Group entered into an agreement for assets transfer with CFSE. The Group agreed to transfer 40% shares of Ziegler to CFSE, and obtained 30% shares of CFSE as enlarged as the consideration. On 10 July 2015, the agreement for assets transfer was completed and Ziegler became an associated company of CFSE and also an indirect non-wholly-owned subsidiary of the Group. The Group became the single largest shareholder of CFSE and owned its 30% shares. CFSE became an associated company of the Group. Following completion of the acquisition, the superior resources of Ziegler and CFSE will achieve mutual coordination and sharing under the unified deployment of the Group's airport facilities equipment business segment, thus forming stronger market competitiveness and laying a good foundation for fire rescue services to further expand in the Chinese market.
- Automated logistics systems business: in 2015, the off-airport business of the airport segment focused on automation warehousing system business, and gained relative advantages in areas like airport, machinery and energy and chemical. Meanwhile, it increased resource investment and enhanced software integration technology.
- Engineering vehicle business: the shuttle bus business achieved growth and optimised its connotation, with its technology advantages starting shining. In respect of the lifting platform vehicle business, following consolidation upon acquisition of the French enterprise Air Marrel, it turned losses into profits and solidified the foundation for development of the engineering vehicle business.

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

Real Estate Development Business

In 2015, the domestic economy stabilised but the downside pressure still existed. The Chinese government proposed policies to reduce property inventories to boost the sustained property development and stimulate potential demand. It embarked on adjustments from both supply and demand through the implementation of the principle of "both supply and restriction available" in respect of the supply and through the policies including lowered house purchase threshold and down payment for commercial loans in respect of the demand to bolster

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the healthy and stable development of the real estate industry. With several rounds of favourable policies, driven by the growing confidence of the property market, the domestic real estate market picked up steadily as a whole throughout the year with the overall transactional volume hitting a new high. The housing demand was prosperous in first-tier cities and some second-tier and third-tier cities with rapidly rising house prices, while the overall performance was weak in third-tier and fourth-tier cities with increasing transactional volume and obviously decreasing house prices.

During the Reporting Period, the Group's real estate development business recorded revenue of RMB1.292 billion (2014: RMB1.136 billion), representing a year-on-year increase of 13.71%, and net profit of RMB340 million (2014: RMB204 million), representing a year-on-year increase of 66.84%. Such increase in net profit was mainly due to the increase in investment income recognised via the equity method of the Group's associated company, Shanghai Fengyang Real Estate Development Co., Ltd.

During the Reporting Period, the first phase of the first industrial estate project of the Group – Dongguan CIMC Intelligence Valley was put into operation and a batch of famous enterprises including the headquarters of CIMC Containers and Beijing Cisri-Gaona Materials & Technology Co., Ltd. were introduced, therefore, a CIMC cloud entrepreneur service platform was established and a mode for development and operation services within the industrial park zone was preliminarily set up.

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

Financial Business

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

In 2015, the domestic financial leasing industry continued to maintain a rapid development. In September 2015, the State Council issued the Guiding Opinions on Accelerating the Development of Financial Leasing Industry(《關於加快融資租賃業發展的指導意見》) and the Guiding Opinions on Promoting the Sound Development of Financial Leasing Industry (《關於促進金融租賃行業健康發展的指導意見》), to provide institutional guarantees and a favourable external environment for the sustainable and healthy development of the industry. Meanwhile, industrial capital and financial capital strengthened their penetration into the industry, while leasing companies also actively access the capital market and see their financing channels increasingly diversified.

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During the Reporting Period, in respect of the financial business, the Group achieved revenue of RMB1.792 billion (2014: RMB1.581 billion), representing a year-on-year increase of 13.34%, and net profit of RMB774 million (2014: RMB559 million), representing a year-on-year increase of 38.50%. Such increase in revenue and net profit was mainly attributable to the rapid growth of the financial leasing business.

In 2015, CIMC Financial Leasing Company continued to deepen integration of industry and finance, consolidate global resources and innovate the business mode based on the three dimensions of “breadth, depth and mechanism”. It promoted upgrading of the manufacturing industry with operating coordination, enhanced the Group’s overall enterprise value with financial coordination and assisted for boosting the Group’s overall transformation with strategic coordination. During the Reporting Period, new business volume, revenue and net profit of CIMC Financial Leasing Company all hit new heights. CIMC Financial Leasing Company paid high concerns to the orderly progress and implementation of the Group’s emerging industries and strategic projects while vigorously promoting the sustained growth of the vehicle, energy and chemical equipment leasing and other fundamental businesses.

In 2015, CIMC Finance Company further enriched the connotation of integration of industry and finance of the Group, boosted the development of the industry through high-value and personalised financial services and enhanced the comprehensive competitiveness of the industry of the Group. It continued to deepen the centralised management of the Group’s funds, managed and operated two capital pools domestically and overseas and the cross-border interconnection and interworking business, laying a foundation for building a centralised platform for operation and management of global funds, and proactively implemented the Group’s assets management policy, reduced the financial costs, and increased the capital utilisation efficiency to enhance the Group’s asset-liability management levels. In the meantime, through constantly innovating financial service products and means, during the year, CIMC Finance Company obtained the qualifications of tapping into the national inter-bank bond market and foreign currency borrowing business successively. Being approved with the qualifications for dealing with consumer credit, buyer’s credit and financial leasing businesses, it successfully commenced several new businesses including export factoring finance, discount of trade acceptance notes and dealing of bonds, to further enhance the professional capability and service level for the Group’s financial business. In addition, it continually increased its efforts on financial services to the industrial chain of the Group, continued to diversify service means to provide various financial products and financial services in the industrial chain and assist the Group to promote the competition advantages and enlarge the synergistic effect in the industry.

III. FUTURE DEVELOPMENT AND OUTLOOK

1. Macroeconomic Environment and Policies

In 2016, the recovery path of global economy will remain uneven. The recovery of the U.S. economy reveals a bright prospect. More efforts are devoted on quantitative easing by the European and Japanese central banks, which are expected to improve the economy. The U.S. dollars enter into the rate increase cycle which will cause more uncertainties to the prospect for economic development of economies in emerging markets. The IMF projects that the pickup in global economic activities will be slow in 2016, especially in emerging markets and developing economies, and the global economic growth would be at 3.4%. 2016 is the beginning year of the “13th Five Year Plan” of the PRC. The government will highlight the principle of “stabilising growth and improving efficiency” in its proactive fiscal policies for the year, appropriately increase government investment and moderately enlarge fiscal deficit. China’s economic growth will gradually stabilise and the GDP growth is expected to be at 6.5% to 7.0% for the year.

2. Industry Development Trend and Market Outlook

In respect of the container manufacturing business, CLARKSON (a British institution for dynamic analysis of shipbuilding and marine trade) predicts the growth of global container trade would be only 2.5% in the past 2015, the lowest during the last three years; it predicts that the growth of global container trade will pick up in 2016, reaching 4.2% and the oversupply of the shipping capacity will remain. Shipping companies continued to receive big new ships with insufficient utilisation of shipping space in the global shipping industry and are expected to continue implementing strategies such as acquisition and reorganisation, deepening coalition operation and maintaining slow-sailing. As the overseas demand currently remains low; China's export continues to slow down and the container industry needs time to digest the container stock of previous year, it is expected that the weak demand for containers will continue in 2016.

In respect of the road transportation vehicle business, in 2016, it is expected that America will maintain its economic recovery trend, representing a promising prospect for semi-trailer business in North America. The European economy improves slowly, bringing opportunities to industry expansion and strategic integration. The differences among emerging markets become more obvious with growth slowdown, while supported by the implementation of the "Belt and Road" policy by China, South Asia and Southeast Asia will remain as the most active regions of economic development. It is expected that the overall economy of China will grow steadily in 2016 and in order to maintain the steady growth of domestic development, the Chinese government will promote the structural reform of supply. Under such a background, domestic market demand of road transportation vehicle business is expected to firm up.

In respect of the energy, chemical and food equipment business, in 2016, due to falling oil prices and intensified competition arising from rapid growth of the industry over recent years, the natural gas equipment market is expected to continue to suffer pressure for the short term, but its development prospect remains positive for the long term. The periodical volatility trend of the global chemical market is predicted to sustain in 2016, therefore, the growth of the standard tank container business is expected to slow down. The liquid food industry is increasingly mature; the growth in demand for corresponding production and transportation equipment remains relatively stable, thus, the liquid food equipment industry is expected to embrace considerable room for development in the industry.

In respect of the offshore engineering business, it is expected that the international oil prices will remain low in 2016 but with opportunities and room for rebounds and the expenses incurred by the global oil and gas exploration and development are expected to further decrease over 2015, affecting the businesses of oil service companies and causing re-shuffle in the industry. The global offshore equipment industry will continue to suffer pressure. In a short term, the oversupply of jack-up platforms and semi-submersible platforms sustained and a possible further decrease in new orders may impose huge pressure on the overall market. However, in a long and medium term, driven by the energy demand in the emerging economies, lots of exploration and development projects have been suspended or cancelled in the recent two years, which will result in great shortfall in global oil and gas supply in the future; influenced by this shortfall and the increasing retiring platforms, it is expected that the global offshore engineering market will recover from the end of 2016 and the expenses incurred by the global oil and gas exploration and development will recover to increase from 2017 onward.

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In respect of the logistics services business, the international, domestic and industrial situations of logistic industry are still complex in 2016. Due to the insufficient driving force for world economic development caused by the striking in trade of emerging economies, together with the weak demand of developed countries for bulk commodities, the global trade and shipping markets will remain running at a low level along. In China, the government will continue to deepen reform and to drive industrial transformation and upgrading with regional integration and development. Externally, the government encourages opening-up. Coupled with the opening of the three free trade zones, the concrete implementation of the “Belt and Road” strategies, the continuous internationalisation of Renminbi and the extension of bilateral free trade agreements, it will constantly bring forth with enlarged demand for logistics services as well as stricter professionalisation requirements. The logistic industry is in the face of more challenges and opportunities.

In respect of the heavy truck business, in 2016, the domestic fixed assets investment is expected to maintain stable growth in the PRC and domestic demands will play an increasingly important role in driving economic development. Benefited from the implementation of the “Belt and Road” initiatives and the commencement of large-scale investment projects, the market capacity of heavy trucks is estimated to remain broadly unchanged or increase slightly as compared to 2015. Coupled with the changes in customer demands, the implementation of national V emission standards and the accelerated product and technology upgrading, in the future, the low-cost, high-horsepower, fuel-efficient and high-end heavy trucks with high technologies and high added value will develop into the main stream of the Chinese market. The upgrading of China’s equipment manufacture and the extension of the “Belt and Road” initiatives will both promote the export of China’s heavy trucks to the surrounding countries and regions, and therefore the export market will be a highlighted part focused by the heavy truck industry in 2016.

In respect of the airport facilities equipment business, in 2016, it is expected that the airport ground equipment business would grow steadily, and main market opportunities arise from new demands in emerging markets. The peripheral facilities of the boarding bridge business will be the new direction for future business expansion. The automated processes of various industries and the rapidly growing e-commerce in China have become a vital driving force for the growth of automated logistics business. The fire and rescue equipment business has seen a basically stable competition landscape globally and will enter into a fast-developing stage in respect of the Chinese market. The steady urbanisation process in China is conducive to the further development of the fire and rescue vehicle business and the stereo garage business. Given the huge market room, there are opportunities for industry integration.

In respect of the real estate development business, with the proactive fiscal policies and sound monetary policies domestically, the overall economic development in 2016 is forecasted to remain relatively stable. Policies aiming at stabilising housing consumption and encouraging housing demands will not be changed in the short term in China. Real estate market development will differentiate increasingly among different cities, with a portion of the third-tier and fourth-tier cities possibly to face destocking pressure, while the first-tier and a portion of the popular second-tier and third-tier cities to have their real estate markets run well due to their own strengths in economy and industrial development.

In respect of the financial business, China’s macro economy will still face a considerable downward pressure in 2016, in particular, the financial market will suffer heightened volatility; market interest rates will go down and net interest margin will narrow. It is expected that China’s financial leasing industry are still going to maintain a growth rate of over 30% during the “13th Five Year Plan” period (2016-2020). In future, the financial leasing industry will be linked more closely with capital; penetration between industrial capital and financial capital will be speeded up; financing channels will tend to be diversified.

3. Overall Operation Targets and Initiatives for Main Business Segments

In 2016, the Group will continue to promote the transformation and upgrading to seek continuous improvements. It will constantly innovate in technology, business models and management mechanisms and control risks. Major efforts will be made to seize the historic opportunity to set challenging goals for growth and development, to move towards the goal of becoming a world-class enterprise. The Group will continue to create new systematic and cultural merits, carry out systematic upgrade in product and technical innovation, especially business model and other areas, focus on breakthroughs so as to cultivate competitive edges and optimise business structure and establish an “accumulative continuous improvement mechanism”, in order to lay a new foundation for the continuous healthy development of the Group.

Container manufacturing business, in 2016, the traditional container industry will continue to have a relative surplus of supply. The Group will focus on connotative optimisation in the mature container manufacturing business such as dry container, reefer container and special reefer to strengthen and enhance its leading position in the industry. In respect of new business relating to containers, the Group will prioritise the development of modular building, cold chain equipment and integration and logistics equipment business and continue to explore and cultivate laser processing technology, e-commerce and environmental protection wood materials business. At the same time, the Group will promote the sustainable development of the industry by getting more committed to improving the entire chain of environmental protection and employee working conditions.

Road transportation vehicle business, in 2016, the Group will continue to strive for comprehensively improving the core competencies of global operations. The Group will focus on exploring new business and innovation business while developing existing business so as to realise the continuous quality growth of the road vehicle business. In domestic market, the Group will seek for more sources of revenue by developing new business. In North American market, the Group will capture market opportunities to expand its production capacity properly, extend the geographical coverage of its products and increase its product types and achieve sustainable growth models by leveraging on the demand growth driven by economic improvement. In European market, the Group will seek for future growth drivers and prepare for the competition in the next stage in advance. In emerging markets, the Group will focus on the development of key markets and ensure the steady development of mature regions, so as to capture the market space which will be formed due to the fast growth of the emerging economies.

Energy, chemical and liquid food equipment business, in 2016, the Group will focus on improve its core competitiveness and strengthening the post-acquisition consolidation of the newly acquired enterprises based on organic growth and constant innovation. In respect of its existing businesses, the Group will explore new business and growth power to become a provider of one-stop solutions through organic optimisation, productivity enhancement and cost reduction and depending on acquisition development, innovative technologies and financial lease business modes. At the same time, it will increase its efforts on exploring overseas markets to achieve sustained revenue growth.

Offshore engineering business, in 2016, the Group will continue to promote the management topic of “risk prevention, delivery guarantee, cost reduction and structure adjustment” and carry forward the “business plan-based, strong project-based and profit-centric” management routes to proactively cope with changes in the industrial environment. In respect of strategies and markets, the Group will continue to reduce its project cost and build up advantages focusing on products. Supported by the technical storage and ability based on drilling products, the Group will expand into new product fields in a quick and steady way. In respect of costs, with the profit centre as the carrier, the Group will continue to promote cost reduction by implementing the ONE cost module thoroughly, strengthening the leading roles of technologies and procurement in cost reduction, improving labour efficiency, reducing labour costs and proactively decreasing inventories.

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Logistics services business, in 2016, the Group will follow closely the national strategies, seize opportunities from the state's favourable policies regarding multimodal transport demonstration project declaration and implementation of pallet standardisation, make good use of its strengths in equipment logistics and service products, and carry out multimodal transport business in a proactive manner via deploying multimodal transport node cities and exploring for innovative forms of cargo organisation under multimodal transport. The Group will also actively participate in the construction of the Group's multimodal transport platform, and vigorously promote multimodal transport logistics business and products leveraging on the domestic multimodal transport nodes, channels and special lines developed by multimodal transport platform building companies of the Group, so as to facilitate the implementation and effective operation of multimodal transport projects.

Heavy truck business, in 2016, the Group will be engaged mainly in hazardous chemical transportation, artery logistics, coal transportation and concrete transportation industries, regionally focus on Beijing-Tianjin-Hebei, the Yangtze River Economic Belt, Pearl River Delta and regions along the "Belt and Road", and give priority to developing high-end and high-horsepower tractors and natural gas heavy trucks, targeted at big customers in the industry and of the Group. The Group will enhance its product competitiveness, promote financial business to serve sales, optimise distribution network, expand the applications of special vehicles all round and strengthen brand communication, so as to enhance the Company's awareness and reputation. The Group also attaches importance to overseas business. Capitalising on the rolling out and implementation of the government's "Belt and Road" initiatives, it is going to focus on developing the Middle East, Central Asia and South East Asia markets, aiming at gradually building a three-level export model of "Complete Built Unit – knock-down technology – brand".

Airport facilities equipment business, based on the airport facilities equipment business, the Group will pursue full GSE coverage, as well as actively promote business integration and coordination at all levels around the two main development routes of urbanisation and automation, and facilitate long-term development of business by optimising the organisational structure in 2016. In respect of the boarding bridges business, the Group will further consolidate the domestic market and deepen the international market to strive for breaking through the American market; in respect of domestic stereo garage business, it will speed up to capture the advanced core technologies with sound comprehensive service capability and will try to become one of the major suppliers in the industry; in respect of the fire rescue vehicle business, it will accelerate distribution in China and resource consolidation in the world; in respect of the automatic logistics systems business, it will strive to culture core competitiveness and establish the relatively strong contracting capability and the global industry position; in respect of operating vehicle business, it will strive to become a comprehensive supplier of equipment and services with improved and high-end product lines to achieve broad coverage of airport ground equipment.

Real estate development business, in 2016, under the proactive fiscal policy and prudent monetary policy of the state, combining the Group's advantageous resources and strategies in the real estate sector, it will focus on revitalising the Group's land resources in the first-tier cities such as Shenzhen and Shanghai; in the meantime, through collaboration within the Group, it will seek promising second-tier and third-tier cities to boost construction of the industrial park zone and accelerate real estate development.

Financial business, in 2016, CIMC Financial Leasing Company will further advance and perfect the operating mechanism of specialised subsidiaries, deepen the coordination of industry and finance, moderately expand external business, gradually establish a low-cost and diversified financing system based on its own assets, develop a relatively independent fund management capability, enhance the ability and level in terms of financial service, resource integration, pattern innovation and risk management, aiming at providing international and domestic end customers with one-stop integrated solutions, and propelling the Group's industrial transformation and upgrading. CIMC Finance Company will focus on deepening the connotation of the four strategically positioned roles of "manager of centralised operation of the Groups funds, provider of comprehensive financial services, collaborator of asset-liability management, and creator of value from integration of industry and

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finance”, insist on constantly strengthening and perfecting the development of supply chain finance business, improve the risk prevention and control level and further reinforce the Group’s integration of industry and finance, in a bid to create more financial value for the Group.

4. Main Risk Factors for Future Development of the Group

- (1) Economic periodic fluctuations: The industries involved in the principal business operations of the Group are dependent on global and domestic economic performance and often vary with the overall economic environment periodical changes, especially the fluctuations in global and domestic industrial sectors. There are risks that the growth of the Group’s container business might slow down due to the declining growth in global trade and China’s export. With the continued decline in international oil prices, the global growth in oil and gas exploration and development is significantly slowing down, and many oil companies chose budget cuts, putting the Group’s offshore engineering equipment business under pressure. The changes and risks in global economic environment bring higher requirements on the Group’s operating and risk controlling capabilities.
- (2) Risk of industry policy upgrade and trade protection: China’s economic entered into the “new normal” and the government of China presents the roadmap for and overall objective of comprehensively deepening reform and push forward the transformation and upgrade of economic structure, and various prevailing laws and policies are in the adjusting period, especially the industrial policies, tax policies, environmental policies and land policies, etc. that have a huge impact on the business. The main businesses of the Group, as part of the traditional manufacturing industries, will face certain policy adjustment risks in the coming years. In addition, part of the Group’s business may still be affected by global trade protectionism, such as global anti-monopoly and anti-subsidy and anti-dumping investigations, etc.
- (3) Fluctuations of financial market and exchange risks: the presentation currency of the consolidated statements of the Group is RMB. The Group’s exchange risks is mainly attributable to the foreign currency exposure resulting from the settlement of sales, purchases and finance in currencies other than RMB. The process in China’s financial reform such as Renminbi internationalisation results in exchange rate fluctuations in the RMB against the USD more frequent and saw choppy trading, which will make the Group’s foreign exchange and money management more difficult.
- (4) Market competition risks: the Group is confronted with competition from domestic and foreign enterprises in respect of container manufacturing, road transportation vehicle, energy, chemical and liquid food equipment businesses. In particular, a weak demand or relative overcapacity will lead to an imbalance between supply and demand, which will cause an intensified competition in the industry. Besides, the competition pattern of the industry may change due to entry of new comers or improving capacity of existing rivals.
- (5) Employment and environmental protection pressure and risks: with demographic changes in China, Chinese manufacturers are generally facing the adjustment and change of employment structure. With gradual loss of demographic dividend, the adjustment to labour policies in China and the increasing expectation upon the labour environment from the new industrial employees, China’s manufacturing industries see constantly soaring labour costs. The automation represented by the robot is becoming one of key directions for future upgrading of the traditional manufacturing industries. In addition, China carries out the sustainable development strategies. Since the last two years, energy conservation and emission reduction, especially the treatment of air pollution, has become one of the top priorities of governments at all levels in China. China’s traditional manufacturing industries, including the container industry, are facing certain pressure of environmental protection.

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

1. Significant Changes in Main Assets

Main assets	Explanations on significant changes
Equity assets	Addition of the associate China Fire Safety Enterprise Group Limited in this year
Fixed assets	Addition of offshore engineering equipment in progress and plants and buildings in this year
Intangible assets	Addition of land use rights and addition of proprietary production technologies and patent rights due to business combination in this year
Construction in progress	Addition of the item of ship under construction in this year

2. Main Overseas Assets

Applicable Not applicable

V. ANALYSIS OF CORE COMPETITIVE ADVANTAGES

A development strategy focusing on core businesses to accelerate industrial upgrades

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

An enterprise framework and management system for continuous improvement and sustainability

The Group has developed a set of effective management models covering business philosophy, governance structure and management mechanism, thus establishing the competitive advantages over its rivals. A standardised and effective corporate governance structure is the institutional safeguards of the Group’s sustainable and healthy development. Since 2010, the Group has launched the strategic upgrade campaign of “building an empowering platform for sustainable and healthy development of CIMC”. According to the organisational transformation direction of “layering management”, the Company has established a three-tier management model comprising the executive committee, special committees and the Board as well as a 5S core management process. By introducing the lean management concept and promoting the ONE Model to meet the goal of continuous improvements, the Company has established an innovative and forward-looking management system to ensure sustainable and healthy development of its businesses.

High-quality and lean manufacturing management capabilities

With the accumulation of large-scale, serialised and standardised management experience and capabilities in the area of container manufacturing over the years and its continuous improvements and upgrades, currently, the Group brings into full play of such core capabilities as safe, green and lean manufacturing technologies and process management with high efficiency represented by the ONE Model and the QHSE across its business segments.

Integrated resources and collaborative development

In several business segments such as the energy, chemical and liquid food equipment and airport facilities equipment, the Group has completed industrial consolidation through a series of mergers and acquisitions, and fully integrated supply chain, production and manufacturing, services and other processes to secure its leading cost advantage and leadership in the industry. On the basis of the existing resources and manufacturing and operating strengths, the Group cultivates new businesses and industry chains for resource sharing and development synergy. The Group is aiming to capitalise on local strengths and integrate global resources to establish a new business ecosystem.

Technological research and development capabilities and intellectual property rights protection

The Group always attaches great importance to technological research and development capabilities through: developing mid-to-long term development strategies to optimise R&D systems and platforms and accelerate development of products and technologies as well as evolution of existing products; adhering to the core value of “unlimited innovations” to promote R&D of new products, technologies, processes and equipment, while constantly improving the mechanism for identifying, inspiring and promoting innovations to speed up the commercialisation of technological achievements; and strengthening protection of intellectual property rights including the construction of an intellectual property rights system covering technical secrets, trademarks and copyrights, establishing and improving an all-round effective mechanism for protecting, operating, safeguarding and preventing infringement of intellectual property rights and enhancing constantly the application capability of intellectual property rights, i.e. patent rights. In addition to a national enterprise technology centre, the Group has 26 group-level technology centres, including 5 research institutes and 21 technical sub-centres. Capitalising on its strong R&D organisation, the Group is well positioned to convert its leading technologies into competitive advantages and business success for customers.

VI. OTHER MATTERS REPORTED BY THE BOARD

1. Fixed Assets

Changes to the fixed assets of the Company and the Group during the 2015 are summarised in note IV. 14 to “Chapter XIII Financial Statements Prepared in Accordance with CASBE” in this Report.

2. Land Value Appreciation Tax

Land value appreciation tax paid by the Group for 2015 was RMB40,773,000 (2014: RMB15,311,000).

3. Reserves and Distributable Reserves

As of 31 December 2015, the reserves of the Group were RMB20,866,723,000 (2014: RMB19,617,685,000), and the distributable reserves were RMB17,663,145,000 (2014: RMB16,651,960,000). Movements in the reserves and the distributable reserves of the Group during the Reporting Period are set out in notes IV. 47, 48 to “Chapter XIII Financial Statements Prepared in Accordance with CASBE” in this Report.

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4. Management Contract

During the Reporting Period, the Company did not enter into any contracts concerning the management or administration of its overall business or any of its material business, nor did any such contracts exist.

5. Major Suppliers and Customers

In 2015, the aggregate purchase attributable to the former five largest suppliers of the Group was less than 30% of the Group's total purchase, the aggregate revenue derived from the former five largest customers was less than 30% of the Group's total sales. For details of the former five largest customers and suppliers of the Group, please refer to "(8) Information of the major customers and major suppliers" of "2. Income and Cost" of "II. Analysis of Principal Businesses" of "Chapter V Management Discussion and Analysis Prepared in Accordance with the Domestic Securities Rules" in this Report.

Save as disclosed above, none of the Directors, Supervisors and their associates or any shareholder (who to the knowledge of the Directors were holding 5% or more of the Company's share capital) had any interest in any of the above-mentioned suppliers and customers.

6. Repurchase, Sale or Redemption of Securities

The Group did not repurchase, sell or redeem any listed securities of the Company or its subsidiaries during the twelve months ended 31 December 2015.

7. Trust Deposits and Irrecoverable Overdue Time Deposits

As at 31 December 2015, the Company did not have any trust deposits or irrecoverable overdue time deposits.

8. Pre-emptive Rights

The Articles of Association or Chinese law had no provisions regarding pre-emptive rights under which the Company must issue new shares on a pro rata basis to existing shareholders.

9. Issue of Debenture

Please refer to note IV. 38 of "Chapter XIII Financial Statements Prepared in Accordance with CASBE" in this Report for details of the issuance of medium-term notes by the Company.

10. Taxes

In accordance with the provisions of the "Individual Income Tax Law of the People's Republic of China" and its implementing regulations, as for the income from dividends and bonuses obtained by foreign resident individual shareholders from the shares issued in Hong Kong by domestic non-foreign invested enterprises, the individual income tax shall be withheld by withholding agents according to the item of "income from interest, dividends and bonuses". The Company will withhold and remit relevant taxes in accordance with the "Notice of the State Administration of Taxation on Issues Concerning the Administration of Individual Income Tax Collection after the Annulment of Document Guo Shui Fa [1993] No.045" (Guo Shui Han [2011] No. 348), the letter entitled "Tax Arrangements of Enterprises in Mainland China on Dividend Issuance to Hong Kong Residents" issued by the Hong Kong Stock Exchange, and related laws and regulations. It's recommended that shareholders may consult their tax advisors concerning the tax effects in Mainland China, Hong Kong and other regions regarding the holding and disposal of H shares of the Company.

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11. Donation

In 2015, the Group has made a total donation of RMB2,850,000 (2014: RMB3,167,000).

12. Compliance with Laws and Regulations

In 2015, the Group complied with the relevant laws and regulations that have a material impact on the Group's operations.

13. Permitted Indemnity Provision

The Company has arranged for appropriate insurance cover for the legal risks possibly faced by its Directors, Supervisors and senior management during their duty performances.

14. Share Capital

As at 31 December 2015, the Company's share capital is as follows:

	Par value per share	Number of shares issued (shares)	Percentage (%)
A Shares	RMB1.00	1,261,243,077	42.35%
H Shares	RMB1.00	1,716,576,609	57.65%
Total	–	2,977,819,686	100.00%

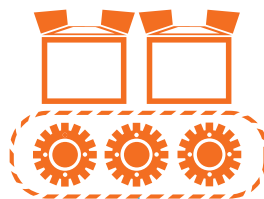
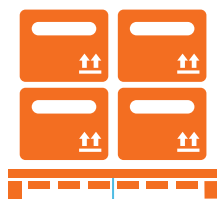
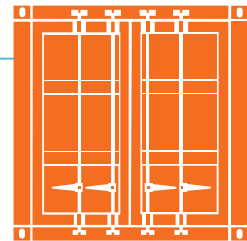
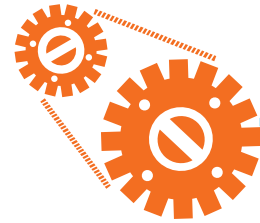
15. Events after the Balance Sheet Date

After the balance sheet date of the Reporting Period, at the Board meeting held on 8 April 2016, the Board approved the proposed issuance of not more than 386,263,593 new A Shares (including 386,263,593 A Shares) to the subscribers that meet the relevant requirements and terms at an issuance price of not less than RMB13.86/Share and the gross proceeds to be raised will not exceed RMB6.0 billion. The non-public issuance of A Shares is subject to: (1) the approvals by the Shareholders at the 2015 annual general meeting and the 2016 first class meeting, respectively; and (2) the approval by the CSRC.

For details of other events after the balance sheet date of the Reporting Period, please refer to note XII to "Chapter XIII Financial Statements Prepared in Accordance with CASBE" in this Report.



Container Manufacturing Business



Chapter V

Management Discussion and
Analysis Prepared in Accordance
with the Domestic Securities Rules**I. OVERVIEW**

For the profile of the Group's businesses during the Reporting Period, please refer to "1. Overview" of "II. Review of Principal Businesses During the Reporting Period" under "Chapter IV Report of the Board" in this Report.

II. ANALYSIS OF PRINCIPAL BUSINESSES**1. Overview**

For details of the Group's principal business operations during the Reporting Period, please refer to "2. Review of Operations of Major Business Segments" of "II. Review of Principal Businesses During the Reporting Period" under "Chapter IV Report of the Board" in this Report.

2. Income and Cost**(1) Composition of revenue**

Unit: RMB thousand

	2015		2014		Year-on-year change
	Amount	% of revenue	Amount	% of revenue	
Total revenue	58,685,804	100.00%	70,070,855	100.00%	(16.25%)
By industry					
Containers	21,071,169	35.91%	23,812,806	33.98%	(11.51%)
Road transportation vehicles	12,861,559	21.92%	13,390,122	19.11%	(3.95%)
Energy, chemical and liquid food equipment	9,305,081	15.86%	12,915,655	18.43%	(27.96%)
Offshore engineering	7,956,958	13.56%	11,864,625	16.93%	(32.94%)
Airport facilities equipment	2,819,980	4.81%	2,726,946	3.89%	3.41%
Logistic services	7,799,998	13.29%	8,473,042	12.09%	(7.94%)
Financial business	1,791,929	3.05%	1,581,026	2.26%	13.34%
Real estate	1,291,878	2.20%	1,136,070	1.62%	13.71%
Heavy trucks	856,459	1.46%	1,059,081	1.51%	(19.13%)
Others	1,153,770	1.97%	1,202,744	1.72%	(4.07%)
Combined offset	(8,222,977)	(14.03%)	(8,091,262)	(11.54%)	(1.63%)
By product					
Containers	21,071,169	35.91%	23,812,806	33.98%	(11.51%)
Road transportation vehicles	12,861,559	21.92%	13,390,122	19.11%	(3.95%)
Energy, chemical and liquid food equipment	9,305,081	15.86%	12,915,655	18.43%	(27.96%)
Offshore engineering	7,956,958	13.56%	11,864,625	16.93%	(32.94%)
Airport facilities equipment	2,819,980	4.81%	2,726,946	3.89%	3.41%
Logistic services	7,799,998	13.29%	8,473,042	12.09%	(7.94%)
Financial business	1,791,929	3.05%	1,581,026	2.26%	13.34%

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with the Domestic Securities Rules

	2015		2014		Year-on-year change
	Amount	% of revenue	Amount	% of revenue	
Real estate	1,291,878	2.20%	1,136,070	1.62%	13.71%
Heavy trucks	856,459	1.46%	1,059,081	1.51%	(19.13%)
Others	1,153,770	1.97%	1,202,744	1.72%	(4.07%)
Combined offset	(8,222,977)	(14.03%)	(8,091,262)	(11.54%)	(1.63%)
By region					
China	24,684,517	42.06%	29,772,543	42.49%	(17.09%)
America	8,880,239	15.13%	12,976,043	18.52%	(31.56%)
Europe	13,836,675	23.58%	11,664,021	16.65%	18.63%
Asia (excluding China)	9,181,983	15.65%	13,457,342	19.21%	(31.77%)
Others	2,102,390	3.58%	2,200,906	3.13%	(4.48%)

(2) **Industry, product or region contributing 10% or more to the Company's revenue or operating profit**

Unit: RMB thousand

	Revenue	Cost of sales	Gross profit margin	Year-on-year change in revenue	Year-on-year change in cost of sales	Year-on-year change in gross profit margin
By industry						
Containers	21,071,169	17,482,473	17.03%	(11.51%)	(15.71%)	4.13%
Road transportation vehicles	12,861,559	10,335,468	19.64%	(3.95%)	(6.43%)	2.13%
Energy, chemical and liquid food equipment	9,305,081	7,488,772	19.52%	(27.96%)	(27.76%)	(0.21%)
Offshore engineering	7,956,958	7,276,336	8.55%	(32.94%)	(35.76%)	4.01%
Logistic services	7,799,998	7,082,207	9.20%	(7.94%)	(7.30%)	(0.63%)
By product						
Containers	21,071,169	17,482,473	17.03%	(11.51%)	(15.71%)	4.13%
Road transportation vehicles	12,861,559	10,335,468	19.64%	(3.95%)	(6.43%)	2.13%
Energy, chemical and liquid food equipment	9,305,081	7,488,772	19.52%	(27.96%)	(27.76%)	(0.21%)
Offshore engineering	7,956,958	7,276,336	8.55%	(32.94%)	(35.76%)	4.01%
Logistic services	7,799,998	7,082,207	9.20%	(7.94%)	(7.30%)	(0.63%)
By region						
China	24,684,517	–	–	(17.09%)	–	–
America	8,880,239	–	–	(31.56%)	–	–
Europe	13,836,675	–	–	18.63%	–	–
Asia (excluding China)	9,181,983	–	–	(31.77%)	–	–

The key operation data on the Company's principle business for the past year collected by using the modified statistical method which adopted during the Reporting Period

Applicable Not applicable

Chapter V | Management Discussion and Analysis Prepared in Accordance with the Domestic Securities Rules

(3) The Company's income of the physical sale is higher than the service revenue or not

Yes No

Industry classification	Item	2015	2014	Year-on-year change (%)
Container	Sales volume			
	Dry container (ten thousand TEU)	112.03	138.53	(19.13%)
	Reefer (ten thousand TEU)	18.14	12.88	40.84%
Road transportation vehicles	Sales volume (ten thousand units)	11.39	11.52	(1.13%)
Offshore engineering business	Sales volume			
	Semi-submersible Drilling Platform (unit)	0	1	–
	Jack-up Drilling Platform (unit)	4	3	33.33%
	Production output			
	Semi-submersible Drilling Platform (unit)	6	4	50.00%
	Jack-up Drilling Platform (unit)	7	6	16.67%

Reasons for relevant data changes by over 30% on a year-on-year basis

Applicable Not applicable

During the Reporting Period, the sales volume of reefer containers of the Group grew 40.84% on a year-on-year basis, mainly due to that (1) the global marine frozen cargoes maintained steady growth while the market demand for reefers was relatively low in the past two years, which resulted in the increase of market demand for reefers in 2015; (2) during the Reporting Period, the Group implemented active market strategies to capture the market opportunities. Its reefer factories were operated in full capacity after technical innovation or relocation and construction. Thus, the reefer sales outperformed the market.

(4) Performance of the significant sales contracts entered into by the Company as of the Reporting Period

Applicable Not applicable

(5) Composition of cost of sales

Industry classification

Unit: RMB thousand

Industry classification	Item	2015		2014		Year-on-year change (%)
		Amount	% of cost of sales	Amount	% of cost of sales	
Container	Direct materials	14,309,116	81.22%	17,176,146	82.81%	(16.69%)
Road transportation vehicles	Direct materials	9,681,896	88.52%	9,065,116	82.07%	6.80%
Offshore engineering	Equipment	5,240,798	72.71%	2,847,864	25.14%	84.03%

Note: During the Reporting Period, the substantial increase in the proportion of the cost of sales of offshore engineering equipment in the total cost of sales was mainly attributable to the arrival and installation of a large number of equipment which was used for the construction of offshore engineering projects in the period.

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Product classification

Unit: RMB thousand

Industry classification	Item	2015		2014		Year-on-year change (%)
		Amount	% of cost of sales	Amount	% of cost of sales	
Container	Direct materials	14,309,116	81.22%	17,176,146	82.81%	(16.69%)
Road transportation vehicles	Direct materials	9,681,896	88.52%	9,065,116	82.07%	6.80%
Offshore engineering	Equipment	5,240,798	72.71%	2,847,864	25.14%	84.03%

Note: During the Reporting Period, the substantial increase in the proportion of the cost of sales of offshore engineering equipment in the total cost of sales was mainly attributable to the arrival and installation of a large number of equipment which was used for the construction of offshore engineering projects in the period.

(6) Changes to the consolidation scope during the Reporting Period

Yes No

During the Reporting Period, for details of the change of the consolidation scope of the Group, please refer to note V of "Chapter XIII Financial Statements Prepared in Accordance with CASBE" in this Report.

(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 sales amount of the top five customers (Unit: RMB thousand)	7,609,093
% of the total sales amount of the top five customers in the annual total sales amount	12.97%

Information of the top five customers

Applicable Not applicable

Unit: RMB thousand

No.	Name of customer	Sales amount	% of the annual total sales amount
1	Landmark Beacon Holding Limited	1,720,188	2.93%
2	Seaco SRL	1,700,133	2.90%
3	Frigstad Deepwater Rig Beta Limited	1,481,864	2.53%
4	Hamburg Sudamerikanische Dampfschiffahrts-Gesellschaft KG	1,381,292	2.35%
5	Frigstad Deepwater Rig Alfa Limited	1,325,616	2.26%
Total		7,609,093	12.97%

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Other information of major customers

Applicable Not applicable

Information of the major suppliers of the Company

Total purchase amount of the top five suppliers (Unit: RMB thousand)	4,009,796
% of the total purchase amount of the top five suppliers in the annual total purchase amount	12.35%

Information of the top five suppliers of the Company

Applicable Not applicable

Unit: RMB thousand

No.	Name of supplier	Purchase amount	% of the annual total purchase amount
1	National oilwell Varco Norway AS	1,093,940	3.37
2	Shanghai Baosteel Pudong International Trading Co., Ltd.	921,977	2.84
3	Shougang Jingtang United Iron & Steel Co., Ltd.	745,010	2.30
4	Angang Steel Company Limited	634,148	1.95
5	Wuhan Iron and Steel Company Limited	614,721	1.89
Total		4,009,796	12.35

Other information of major suppliers

Applicable Not applicable

3. Expenses

Unit: RMB thousand

	2015	2014	Year-on-year change	Reasons for significant changes
Sales expenses	2,574,916	2,348,229	9.65%	No material change
Management expenses	4,146,983	4,656,475	(10.94%)	No material change
Finance expenses	627,801	519,187	20.92%	No material change
Income tax expenses	934,391	536,488	74.17%	Mainly due to the reversal of withholding tax of the overseas enterprises which have been identified as Chinese resident enterprises in 2014

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4. R&D Investments

√ Applicable Not applicable

During the Reporting Period, the Group's R&D projects were guided by the strategy of "Made in China 2025" and targeted at vigorous development of intelligent manufacturing, high-end manufacturing and green manufacturing, which represent: (1) to promote the intelligence and automation of manufacturing process, speed up the application of technologies and equipment including intelligent human-machine interaction, industrial robots and intelligent monitoring management in the production process, and promote the enhancement of manufacturing process; (2) to give priority to the development of offshore engineering equipment and high-tech vessels, aerospace equipment and the third generation airport facilities equipment, new energy storage and transportation facilities, laser welding & cutting equipment, so as to increase the added technical value of high-end products; and (3) to put more efforts in the research and development of advanced energy conservation and environmental protection technologies, processes and equipment, actively promote low-carbon, circulatory and intensive operation models, strive to accomplish the transformation from traditional manufacturing to low-carbon and green manufacturing, in a commitment to building a new resource-conserving and environment friendly industrial enterprise, and to strengthen green management over the entire life cycle of a product, in an effort to build an efficient, clean, low-carbon and circulatory green manufacturing system.

R&D investments of the Company

	2015	2014	Proportion of changes
Number of R&D personnel (person)	3,380	3,340	1.20%
Proportion of R&D personnel	5.90%	5.40%	0.50%
Amount of R&D investments (RMB thousand)	614,462	742,895	(17.29%)
Proportion of R&D investments in revenue	1.05%	1.06%	(0.01%)
Capitalised amount of R&D investments (RMB thousand)	72,150	151,139	(52.26%)
Proportion of capitalised R&D investments in R&D investments	11.74%	20.34%	(8.60%)

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

Applicable Not applicable

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

Applicable Not applicable

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5. Cash Flows

Unit: RMB thousand

Item	2015	2014	Year-on-year change
Subtotal of cash inflows of operating activities	57,320,802	75,072,548	(23.65%)
Subtotal of cash outflows of operating activities	60,931,025	68,638,071	(11.23%)
Net cash flows from operating activities	(3,610,223)	6,434,477	(156.11%)
Subtotal of cash inflows of investing activities	1,312,846	1,876,211	(30.03%)
Subtotal of cash outflows of investing activities	13,897,627	13,429,993	3.48%
Net cash flows from investing activities	(12,584,781)	(11,553,782)	(8.92%)
Subtotal of cash inflows of financing activities	64,994,199	33,460,721	94.09%
Subtotal of cash outflows of financing activities	48,438,536	29,519,735	64.09%
Net cash flows from financing activities	16,505,663	3,940,986	318.82%
Net increase of cash and cash equivalents	323,872	(1,246,245)	125.99%

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

Applicable Not applicable

Item	Change	Reason
Sub-total of cash inflows from investing activities	(30.03%)	Mainly due to the higher net cash received to acquire subsidiaries and other business units in the previous year.
Sub-total of cash inflows from financing activities	94.09%	Mainly due to the considerable increase in cash received from borrowings this year.
Sub-total of cash outflows from financing activities	64.09%	Mainly due to the higher cash repayments of borrowings this year.

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

Applicable Not applicable

Chapter V | Management Discussion and Analysis Prepared in Accordance
with the Domestic Securities Rules**III. ANALYSIS OF NON-PRINCIPAL BUSINESSES**

√ Applicable □ Not applicable

Unit: RMB thousand

	Amount	Proportion in total profit	Explanation on the formation	Sustainable or not
Investment income	776,106	24.21%	Mainly due to the increase in investment income under the adjusted equity method of the Group and the increase in income from disposal of leasing business this year.	Not
Profit or loss from changes in fair value	(103,031)	(3.21%)	Mainly due to the changes in fair value of derivative financial instruments this year.	Not
Asset impairment	551,170	17.19%	Mainly due to the newly-added impairment provision for long-term receivables during the year.	Not
Non-operating income	436,200	13.60%	Mainly due to the gains on disposal of non-current assets and an increase of penalty income during the year.	Not
Non-operating expenses	173,584	5.41%	Mainly due to the increase in compensation expenses and abnormal expense this year.	Not

IV. ASSETS AND LIABILITIES**1. Significant Changes in Assets**

Unit: RMB thousand

	As at the end of 2015		As at the end of 2014		Changes from previous year to this year (%)	Description of material changes
	Amount	% of total assets	Amount	% of total assets		
Long-term equity investments	2,036,367	1.91%	1,165,674	1.33%	74.69%	Due to addition of shares of China Fire Safety Enterprise Group Limited this year.
Construction in progress	17,040,388	15.96%	10,460,940	11.92%	62.90%	Mainly the new shipping projects in progress this year.
Short-term borrowings	17,909,024	16.77%	11,239,527	12.80%	59.34%	Mainly the financing arrangement entered into for working capital needs.
Long-term borrowings	23,684,838	22.18%	11,110,296	12.66%	113.18%	Mainly the financing arrangement entered into for working capital needs.

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

Applicable Not applicable

4. Financial Asset Investments

(1) Securities investments

Applicable Not applicable

Unit: RMB thousand

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
H Shares	6198	Qingdao Port	128,589	Fair value	163,947	3,248	-	-	-	-	117,149	Financial assets at fair value through profit or loss	Self-owned funds
H Shares	368	Sinotrans Ship	20,742	Fair value	4,373	(771)	-	-	-	-	3,841	Financial assets at fair value through profit or loss	Self-owned funds
Other securities investments held at the end of the Reporting Period			-	-	865	(58,670)	-	-	366,007	66,048	1,181	-	-
Total			149,331	-	169,185	(56,193)	-	-	366,007	66,048	122,171	-	-

Announcement date of the Board approving securities investments Nil

Announcement date of the general meeting approving securities investments (if any) Nil

Unit: RMB thousand

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
Australian Stock Exchange: OEL	Otto Energy	13,480	14,000	1.19	1,342	-	(5,172)	Available-for-sale financial assets	Stock acquisition
Hong Kong Stock Exchange: 206	TSC Offshore Group Limited	167,591	92,828	13.42	196,024	9,131	-	Long-term equity investments	Stock acquisition

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(2) Derivatives investments

√ Applicable □ Not applicable

Unit: RMB thousand

Name of the derivatives investment operator	Relationship with the Group	Related party transaction or not	Type of derivatives investment	Initial investment amount of derivatives	Date of commencement	Date of termination	Investment amount at the beginning of the period	Amount acquired during the Reporting Period	Amount sold during the Reporting Period	Provision for impairment (if any)	Investment amount at the end of the period	Proportion of Investment amount at the end of the Reporting Period to net assets of the Company at the end of the Reporting Period (%)	Actual profit or loss during the Reporting Period
HSBC, Standard Chartered and other banks	Nil	No	Foreign exchange forward contract	-	2014/3/20	2016/12/16	15,811,059	-	-	-	9,087,911	31.84%	(36,568)
HSBC, Standard Chartered and other banks	Nil	No	Foreign exchange option contract	-	2014/8/22	2016/12/13	2,803,346	-	-	-	4,097,462	14.36%	(36,129)
China Construction Bank, HSBC and other banks	Nil	No	Interest rate swap contract	-	2009/12/28	2020/3/1	668,957	-	-	-	831,181	2.91%	6,104
HSBC	Nil	No	Currency swap contract	-	2015/4/1	2019/9/1	-	-	-	-	70,365	0.25%	19,755
Total				-	-	-	19,283,362				14,086,919	49.36%	(46,838)

Source of funds for derivatives investments	Self-owned funds
Litigation case (if applicable)	Not applicable
Date of the announcement disclosing the approval of derivatives investment by the Board (if any)	Nil
Date of the announcement disclosing the approval of derivatives investment at shareholders' meeting (if any)	Nil
Risk analysis regarding positions in derivatives during the Reporting Period and explanations of risk control measures (including but not limited to market risk, liquidity risk, credit risk, operation risk and law risk etc.)	As of 31 December 2015, the derivative financial instruments held by the Group were mainly foreign exchange forwards, foreign exchange options and interest rate swap contracts. The risks of interest rate swap contracts were closely related to the fluctuations of interest rate. The risks carried by foreign exchange forwards and foreign exchange options were connected with the market risks relating to exchange rates and the Group's cash flow certainty of foreign currency revenues in the future. The Group's control on the derivative financial instruments was mainly reflected in: making prudent selection and determination on the type and quantity of newly-added derivative financial instruments; as to derivatives transactions, the Group developed rigorous internal approval systems and operational processes, and clarified the approval and authorisation procedures for all levels involved, so as to control the associated risks.
Changes in market prices or product fair values of derivatives invested during the Reporting Period, where specific methods and relevant assumptions and parameters used shall be disclosed in the analysis of fair values of derivatives	From January to December 2015, the Group's profit or loss arising from changes in fair values of the derivative financial instruments was RMB(46.838) million. Fair values of the derivative financial instruments of the Group were determined based on market prices of external financial institutions.
Explanations of any significant changes in the Company's accounting policies and specific accounting principles on derivatives between the Reporting Period and the last reporting period	No
Specific opinions of independent Directors on the derivatives investments and risk controls of the Company	In accordance with "Basic Norms for Enterprise Internal Controls", "Application Guidelines for Enterprise Internal Controls", "Enterprise Internal Controls Assessment Guidelines" and other relevant laws and regulations, the Company has established a sound internal control system and put it into effective implementation. Therefore, the risks faced by the Company regarding derivatives investments are controllable.

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5. Use of Raised Proceeds

Applicable Not applicable

(1) General utilisation of raised proceeds

Applicable Not applicable

Unit: RMB thousand

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	Issue of additional H Shares	3,227,639	3,227,158	3,227,158	0	0	0.00%	481	To supplement the working capital	-
Total	-	3,227,639	3,227,158	3,227,158	0	0	0.00%	481	-	0

Description of overall utilisation of proceeds raised: Such proceeds raised from the issue of additional H Shares will be used for supplementing the working capital.

(2) Projects committed with raised proceeds

Applicable Not applicable

(3) Change of project 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

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VII. ANALYSIS OF PRINCIPAL SUBSIDIARIES AND ASSOCIATES

Please refer to the relevant information contained in “II. Review of Principal Businesses During the Reporting Period” under “Chapter IV Report of the Board” of this Report for the details of operations of principal subsidiaries and associates.

The details on the subsidiaries that began and ceased to be consolidated into the accounts of the Group during the Reporting Period are set out in note V. 1 to “Chapter XIII Financial Statements Prepared in Accordance with CASBE” in this Report.

Principal subsidiaries and associates contributing to more than 10% of the Company’s net profits

Unit: RMB thousand

Company name	Company type	Principal activities	Registered capital	Total assets	Net assets	Revenues	Operating profits	Net profits
Shanghai Fengyang Real Estate Development Co., Ltd.	Limited liability company	Real estate business	30,000	1,322,506	797,636	1,969,436	691,135	519,525
CIMC Enric Holdings Limited	Limited liability company	Energy, chemical and liquid food business	17,733	12,312,226	6,465,472	8,241,333	681,030	536,213

Details on obtaining and disposing subsidiaries during the Reporting Period

Applicable Not applicable

Company name	Method of obtaining and disposing subsidiaries during the Reporting Period	Impact on overall production and operation and performance
Sino-Worlink (Beijing) Investment Co., Ltd.	Purchase in cash	No material impact
Sino-Worlink (Hong Kong) International Logistics Co., Ltd.	Purchase in cash	No material impact
Liaoning Hashenleng Gas Liquefaction Equipment Co., Ltd.	Purchase in cash	No material impact
Sichuan Jinke Cryogenic Engineering Co. Ltd.	Purchase in cash	No material impact

VIII. STRUCTURED BODY CONTROLLED BY THE COMPANY

Applicable Not applicable

IX. OUTLOOK FOR FUTURE DEVELOPMENT

For details of outlook for the future development of the Group, please refer to “III. Future Development and Outlook” of “Chapter IV Report of the Board” in this Report.

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X. RECEPTION OF RESEARCH, COMMUNICATIONS AND INTERVIEWS

Register of Reception of Research, Communications and Interviews During the Reporting Period

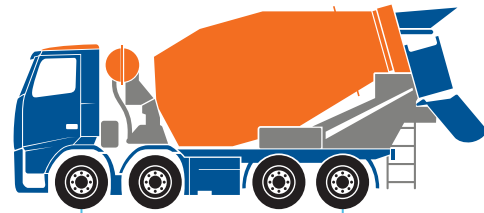
Date of reception	Venue of reception	Mode of reception	Type of party received	Party received	Brief description on research
13 January 2015	Company	Field research	Institution	SinoPac Securities	Principal business conditions, business structure, investment progress, recent industrial developments and industry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

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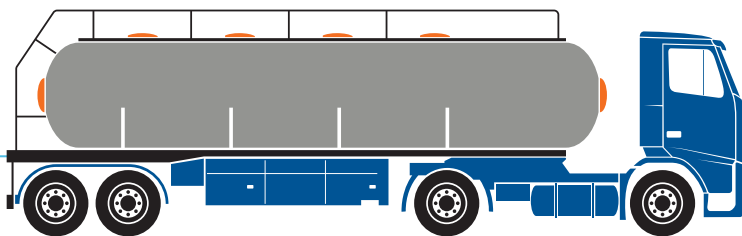
Date of reception	Venue of reception	Mode of reception	Type of party received	Party received	Brief description on research
14 July 2015	Head Office	Field research	Institution	Huatai United Securities, Penghua Fund, Huashang Fund, China Life Insurance Asset Management, Infore Capital, Guoxin Yongfeng Fund (國信永豐基金)	Same as above
14 July 2015	Head Office	Field research	Institution	China Merchants Securities, GF Fund, Guosen Securities, Yintai Securities	Same as above
23 July 2015	Head Office	Field research	Institution	Macquarie Securities	Same as above
23 July 2015	Head Office	Field research	Institution	COAMC, GF Fund, ICBC Credit Suisse, Dongguan Securities, Anything Investment (阿杏投資)	Same as above
3 August 2015	Head Office	Field research	Institution	Huatai United Securities, ABC-CA Fund (農行匯理基金)	Same as above
4 August 2015	Head Office	Field research	Institution	Everbright Pramerica Fund	Same as above
2 September 2015	Head Office	Field research	Institution	Chuancai Securities, Yingda Securities, Truvalue Asset Management	Same as above
7 September 2015	Head Office	Field research	Institution	Meritz Asset Management, Lion Global Investors, Morgan Stanley	Same as above
8 September 2015	Shenzhen	2015 A Shares Investment Summit of Credit Suisse	Institution	Customers of Credit Suisse	Same as above
9 September 2015	Autumn Investment Conference of Haitong Securities	One-to-one meeting	Institution	China Universal Asset, Cathay Life Insurance	Same as above
10 September 2015	Military Industry & Machinery Investment Conference of Shenwan Hongyuan Securities	Group meeting	Institution	Institutional investors	Same as above
11 September 2015	Head Office	Field research	Institution	NN Investment Partners	Same as above
15 September 2015	Head Office	Field research	Institution	Taikang Asset Management	Same as above
21 September 2015	Head Office	Field research	Institution	Customers of CLSA, Pacific Investment Management Company	Same as above
13 October 2015	Head Office	Field research	Institution	Teng Yue Partners	Same as above

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Date of reception	Venue of reception	Mode of reception	Type of party received	Party received	Brief description on research
30 October 2015	Hong Kong	Chinese Industrial Enterprises Day of Deutsche Bank	Institution	Customers of Deutsche Bank	Same as above
4 November 2015	Head Office	Field research	Institution	Customers of Morgan Stanley	Same as above
6 November 2015	Zhuhai	2016 Investment Strategies Conference of Huajin Securities	Institution	Customers of Huajin Securities	Same as above
10 November 2015	Yantai	Field research	Institution	Customers of Morgan Stanley	Same as above
4 December 2015	Shenzhen	2016 Investment Strategies Conference of Huachuang Securities	Institution	Customers of Huachuang Securities	Same as above
8 December 2015	Shenzhen	Field research	Institution	Matthews Asset Management Corporation (Matthews資產管理公司)	Same as above
9 December 2015	Shanghai	2016 Investment Strategies Conference of Haitong Securities	Institution	Customers of Haitong Securities	Same as above
Number of reception					38
Number of organisations received					38
Number of individuals received					0
Number of other parties received					0
Whether disclosed any undisclosed major information					No



Road Transportation Vehicle Business





Chapter VI

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

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

Consolidated Operating Results and Segment Information

During the Reporting Period, the Group recorded revenue of RMB58,685.804 million (same period of previous year: RMB70,070.855 million) and profit attributable to shareholders and other equity holders of the parent company of RMB1,974.005 million (same period of previous year: RMB2,477.802 million), representing a year-on-year decrease of 16.25% and 20.33%, respectively. For details of segment results, please refer to “2. Income and Cost” of “II. Analysis of Principal Businesses” of “Chapter V Management Discussion and Analysis Prepared in Accordance with the Domestic Securities Rules” and note IV. 49 to “Chapter XIII Financial Statements Prepared in Accordance with CASBE” in this Report.

Cost of Sales

For details of the Group’s cost of sales during the Reporting Period, please refer to “2. Income and Cost” of “II. Analysis of Principal Businesses” of “Chapter V Management Discussion and Analysis Prepared in Accordance with the Domestic Securities Rules” and note IV. 49 to “Chapter XIII Financial Statements Prepared in Accordance with CASBE” in this Report.

Gross Profit Margin and Profitability

The overall gross profit margin of the Group in 2015 was 18.07%, representing an increase of 1.94 percentage points as compared with the same period of previous year. Among all segments, the gross profit margins of the container, road transportation vehicle, offshore engineering, logistics services and financial segments increased while the gross profit margins of the energy, chemical and liquid food equipment, airport facilities equipment and real estate segments decreased. For detailed analysis, please refer to “II. Review of Principal

Businesses During the Reporting Period” under “Chapter IV Report of the Board” in this Report. The table below lists the gross profits and gross profit margins of the Group’s major segments during the following periods:

Unit: RMB thousand

By segment	2015		2014	
	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)
Container	3,588,696	17.03%	3,071,341	12.90%
Road transportation vehicle	2,526,091	19.64%	2,344,260	17.51%
Energy, chemical and liquid food equipment	1,816,309	19.52%	2,548,451	19.73%
Offshore engineering	680,622	8.55%	538,172	4.54%
Airport facilities equipment	582,150	20.64%	585,037	21.45%
Logistics service	717,791	9.20%	832,772	9.83%
Financial business	1,171,360	65.37%	580,703	36.73%
Real estate	450,317	34.86%	450,855	39.69%
Heavy truck	(51,510)	(6.01%)	31,173	2.94%
Others	174,620	15.13%	154,008	12.80%
Combined offset	(1,051,885)	–	165,060	–
Total	10,604,561	18.07%	11,301,832	16.13%

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

For details of the technology development costs, sales costs, management expenses and finance expenses of the Group during the Reporting Period, please refer to “3. Expenses” of “II. Analysis of Principal Businesses” of “Chapter V Management Discussion and Analysis Prepared in Accordance with the Domestic Securities Rules” and note IV. 51, 52, 53 to “Chapter XIII Financial Statements Prepared in Accordance with CASBE” in this Report.

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Non-operating Income

During the Reporting Period, the Group's non-operating income amounted to RMB436.200 million (2014: RMB389.679 million), representing a year-on-year increase of 11.94%, which was mainly attributable to the gains on disposal of non-current assets and an increase of penalty income of the Group during the Reporting Period. For details, please refer to note IV. 58 to "Chapter XIII Financial Statements Prepared in Accordance with CASBE" in this Report.

Taxes

During the Reporting Period, the Group's income tax expense amounted to RMB934.391 million (2014: RMB536.488 million), representing a year-on-year increase of 74.17%, mainly due to the reversal of withholding tax of the overseas enterprises which have been identified as Chinese resident enterprises for 2014. For details, please refer to note IV. 60 to "Chapter XIII Financial Statements Prepared in Accordance with CASBE" in this Report.

Profit Attributable to Minority Shareholders

In 2015, the Group's profit attributable to minority shareholders amounted to RMB297.956 million (2014: RMB556.126 million), representing a year-on-year decrease of 46.42%, mainly due to the changes in profits of subsidiaries with minority shareholders.

Liquidity and Financial Resources

The Group's cash at bank and on hand primarily consist of cash and bank deposits. As at 31 December 2015, the Group's cash at bank and on hand amounted to RMB4,487.166 million (31 December 2014: RMB3,667.387 million), representing a year-on-year increase of 22.35%.

For details of the cash flow data of the Group during the Reporting Period, please refer to "5. Cash Flows" of "II. Analysis of Principal Businesses" of "Chapter V Management Discussion and Analysis Prepared in Accordance with the Domestic Securities Rules" and note IV. 62 and 63 to "Chapter XIII Financial Statements Prepared in Accordance with CASBE" in this Report.

The Group's development funds primarily consist of cash derived from operation and bank loan. The Group's cash demands mainly come from production and operation, repayment of matured liability, capital expenditure, payment of interests and dividends, and other unexpected cash demands. The Group has always adopted prudent financial management policies and maintained sufficient and appropriate cash on hand to repay the bank loans falling due and ensure business development.

Bank Loans and Other Borrowings

As at 31 December 2015, the Group's short-term borrowings, long-term borrowings, debentures payable and other current liabilities (issuance of commercial papers) in aggregate amounted to RMB46,241.746 million (31 December 2014: RMB33,310.268 million). Details of bank loans and other borrowings of the Group as at 31 December 2015 are set out in note IV. 24, 35, 36, 37 and 38 to "Chapter XIII Financial Statements Prepared in Accordance with CASBE" in this report.

Unit: RMB thousand

	As at 31 December 2015	As at 31 December 2014
Short-term borrowings	17,909,024	11,239,527
Non-current borrowings due within one year	649,003	2,052,854
Debentures payable due within one year	3,998,881	2,000,000
Long-term borrowings	23,684,838	11,110,296
Debentures payable	–	4,455,080
Other current liabilities (issuance of commercial papers)	–	2,452,511
Total	46,241,746	33,310,268

Interest capitalised by the Group in 2015 was RMB423.520 million (2014: RMB412.821 million). During the Reporting Period, the net bank loans appropriated by the Group amounted to RMB58,969.912 million (same period of previous year: RMB33,241.336 million). The increase in net bank loans appropriated was mainly due to the financing arrangements to meet the requirements of working capital.

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The Group's bank borrowings are mainly denominated in U.S. dollars, with the interest payments computed using fixed rates and floating rates. As at 31 December 2015, the Group's bank borrowings included fixed-rate borrowings of approximately RMB12,472.493 million (31 December 2014: RMB4,792.023 million) and floating-rate borrowings of RMB29,770.372 million (31 December 2014: RMB19,608.678 million). The long-term borrowings were due within five years. For details, please refer to note IV. 37 to "Chapter XIII Financial Statements Prepared in Accordance with CASBE" in this report.

The Group's issued bonds are mainly denominated in RMB, with the interest payments computed using fixed rates. As at 31 December 2015, the remaining fixed-rate bonds issued by the Group amounted to RMB3,998.881 million (31 December 2014: RMB6,455.080 million). For details, please refer to note IV. 38 to "Chapter XIII Financial Statements Prepared in Accordance with CASBE" in this report.

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

Capital Structure

The Group's capital structure consists of equity interests attributable to shareholders and liabilities. As at 31 December 2015, the Group's equity interests attributable to shareholders amounted to RMB35,494.876 million (31 December 2014: RMB27,282.115 million); the total liabilities amounted to RMB71,268.295 million (31 December 2014: RMB60,494.066 million) and the total assets amounted to RMB106,763.171 million (31 December 2014: RMB87,776.181 million). For the significant changes in the Group's assets and liabilities during the Reporting Period, please refer to "IV. Assets and Liabilities" of "Chapter V Management Discussion and Analysis Prepared in Accordance with the Domestic Securities Rules" in this Report.

At the end of the Reporting Period, the Group's gearing ratio was 66.75% (31 December 2014: 68.92%), representing a year-on-year decrease of 2.17 percentage points, which was mainly due to the completion of issue of additional H shares and other equity instruments in the current period which resulted in an increase in total equity interests attributable to shareholders compared with the previous year. The Group is committed to maintain an appropriate combination of equity and debt, in order to maintain an effective capital structure and provide maximum returns for shareholders. (Note: the gearing ratio is calculated based on the Group's total debts divided by its total assets as at the respective dates.)

Chapter VI | Management Discussion and Analysis Prepared in Accordance with the Hong Kong Securities Rules

Foreign Exchange Risk and Relevant Hedge

The majority currency of the Group's business revenue is U.S. dollars, while most of its expenditure is made in RMB. Currently, the PRC government has implemented a regulated floating exchange rate regime based on market supply and demand with reference to a basket of currencies. However, Renminbi is still regulated in capital projects. As the exchange rates of RMB are affected by domestic and international economy and political situations, and the demand and supply of RMB, and the future exchange rates of Renminbi against other currencies may vary significantly from the current exchange rates, the Group is exposed to potential foreign exchange risk arising from the exchange rate fluctuation in RMB against other currencies, which may affect the Group's operating results and financial condition. The management of the Group has closely monitored its foreign exchange risk and taken appropriate measures to avoid foreign exchange risk.

For details of the foreign exchange hedging contracts held by the Group during the Reporting Period, please refer to note IV. 25 to "Chapter XIII Financial Statements Prepared in Accordance with CASBE" in this Report.

Interest Rate Risk

The Group is exposed to the market interest rate change risk relating to its interest-bearing bank loans and other borrowings. To minimise the impact of interest rate risk, the Group entered into interest rate swap contracts with certain banks. As at 31 December 2015, the Group had 15 unsettled interest rate swap contracts denominated in U.S. dollars. The nominal value of these contracts which will be matured from 28 April 2017 to 1 March 2020 respectively amounts to approximately US\$128 million in total. As at 31 December 2015, the interest rate swap contracts of the Group with fair values of RMB15.203 million were included in financial liabilities at fair value through profit or loss as derivative financial liabilities. Transaction costs on realisation have not been considered when calculating the fair values. For details, please refer to note IV. 25 to "Chapter XIII Financial Statements Prepared in Accordance with CASBE" in this Report.

Credit Risk

The Group's credit risk is primarily attributable to cash at bank and on hand, receivables and derivative financial instruments entered into for hedging purposes. Exposure to these credit risks are monitored by the management on an ongoing basis. For details, please refer to note XIV. 1 to "Chapter XIII Financial Statements Prepared in Accordance with CASBE" in this Report.

Capital Commitments

As at 31 December 2015, the Group had capital expenditure commitments of approximately RMB960.181 million (31 December 2014: RMB696.316 million), which was mainly used as investment contracts entered into but not performed or performed partially and significant contracts entered into for ships to be manufactured for sales or lease. For details, please refer to note XI. 1(1) to "Chapter XIII Financial Statements Prepared in Accordance with CASBE" in this Report.

Subsidiaries, Jointly Controlled Companies and Associated Companies of the Group

For the subsidiaries, jointly controlled companies and associated companies of the Group as at 31 December 2015, please refer to note IV. 12 and note VI to "Chapter XIII Financial Statements Prepared in Accordance with CASBE" in this Report for details.

Pledge of Assets

As at 31 December 2015, the restricted assets of the Group totally amounted to RMB5,826.663 million (31 December 2014: RMB998.522 million). For details of the Group's pledge of assets, please refer to note IV. 23 to "Chapter XIII Financial Statements Prepared in Accordance with CASBE" in this Report.

Chapter VI | Management Discussion and Analysis Prepared in Accordance with the Hong Kong Securities Rules

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

During the Reporting Period, the Group completed the acquisition of Sino-Worlink (Beijing) Investment Co., Ltd., Sino-Worlink (Hong Kong) International Logistics Co., Ltd., Liaoning Hashenleng Gas Liquefaction Equipment Co., Ltd. and Sichuan Jinke Cryogenic Engineering Co. Ltd. at a total consideration of RMB348.850 million. For details, please refer to note V to “Chapter XIII Financial Statements Prepared in Accordance with CASBE” in this Report.

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

The Group’s operating and capital expenditures are mainly financed by our own funds and external financing. Concurrently, the Group will take a prudent attitude in order to enhance its future operating cash flow.

According to the changes in economic situation and operating environment, as well as the needs of the Group’s strategic upgrade and business development, the capital expenditure of the Group is expected to be RMB15.323 billion in 2016, which will be mainly used for purchase and construction of fixed assets, intangible assets and other long-term assets. The Group will continue to consider various types of financing arrangements.

Contingent Liabilities

As at 31 December 2015, the Group had major contingent liabilities of RMB79.940 million (31 December 2014: RMB54.704 million). For details, please refer to note X. 1 to “Chapter XIII Financial Statements Prepared in Accordance with CASBE” in this Report.

USE OF PROCEEDS

On 31 December 2015, the Company issued a total of 286,096,100 new H Shares to COSCO Container Industries Limited, Broad Ride Limited and Promotor Holdings Limited at HK\$13.48 per H Share, and the proceeds raised were approximately HK\$3,857 million (RMB3,228 million). The proceeds raised were used to replenish the working capital, which is consistent with the resolution passed at the meeting of the Board. As at 31 December 2015, HK\$575,428 (RMB481,586) of the proceeds raised from the placing of H Shares was placed in the fund-raising account, and the rest had been used to replenish the working capital.

Employees and Remuneration Policies

As at 31 December 2015, the Group had 57,477 employees in total (31 December 2014: 61,309). For composition of the employees, please refer to “VII. Employees of the Company” of “Chapter X Information on Directors, Supervisors, Senior Management and Employees” in this Report. The total staff cost during the Reporting Period, including Directors’ remuneration, contribution to the retirement benefit schemes and share option incentive schemes, amounted to RMB6,293.535 million (2014: RMB6,425.427 million). For details, please refer to note IV. 29 to “Chapter XIII Financial Statements Prepared in Accordance with CASBE” in this Report.

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

Chapter VI | Management Discussion and Analysis Prepared in Accordance with the Hong Kong Securities Rules

Employee Pension Benefits

Pursuant to the relevant laws and regulations of the PRC, the Group has provided the basic pension insurance for the employees arranged by local labour and social security bureaus. The Group makes contributions to the pension insurance at the applicable rates based on the amounts stipulated by the government organisation. The contributions are capitalised as part of the cost of assets or charged to current profit or loss on an accrual basis. When employees retire, the local labour and social security bureaus are responsible for the payment of the basic pension benefits to the retired employees. For details of pension benefits, please refer to note II. 24 and IV. 29 to “Chapter XIII Financial Statements Prepared in Accordance with CASBE” in this Report.

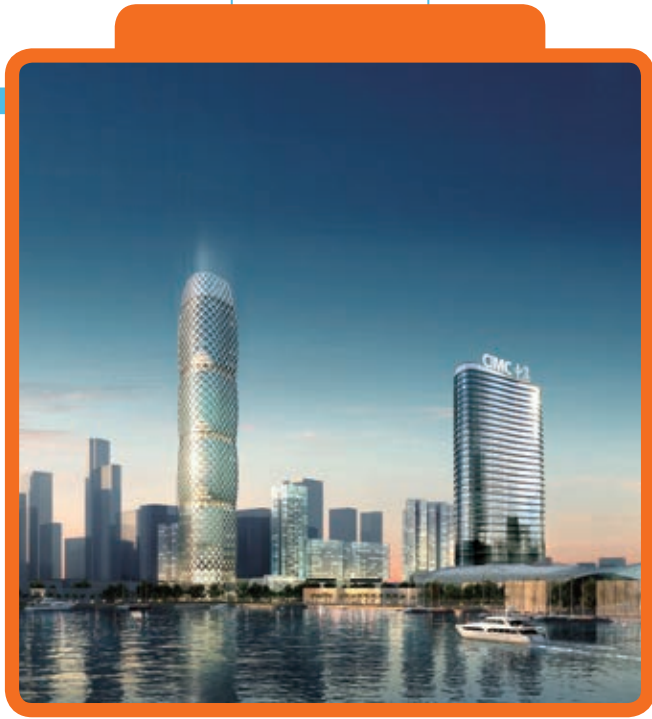
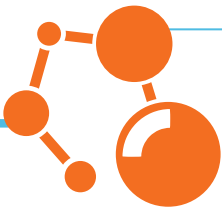
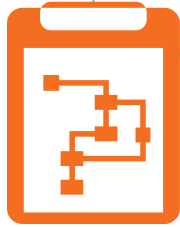
Share Option Incentive Scheme

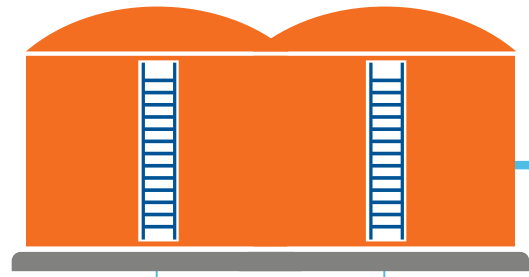
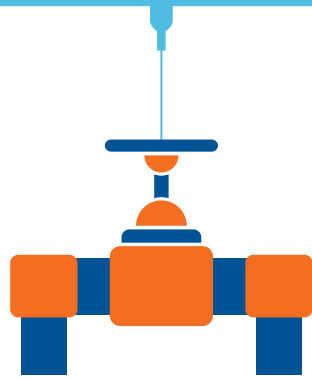
The implementation of share option incentive scheme is helpful to establish an interest sharing and restraint mechanism among the directors, the management and the core employees, by which the management can better balance its long-term goal and short-term goal so as to attract and retain outstanding management candidates and key employees and stimulate sustainable value of incentives which will serve to guarantee the stable development of the Company in the long term and enhance its competitive strength.

For details of the share option incentive scheme of the Company and its subsidiaries, please refer to “XV. Implementation of the Company’s Share Option Incentive Scheme, Employee Stock Ownership Scheme or Other Employee Incentive Measures” of “Chapter VIII Significant Events” in this Report.

Market Risks

For details of the Group’s market risks, please refer to “4. Main Risk Factors for Future Development of the Group” of “III. Future Development and Outlook” under “Chapter IV Report of the Board” in this Report.





Energy, Chemical and Liquid Food Equipment Business



Chapter VII

Report of the Supervisory Committee

Dear Shareholders,

During the year of 2015, the Supervisory Committee of the Company has performed and discharged its duties and responsibilities conscientiously in accordance with the relevant provisions of the PRC Company Law and the Articles of Association.

I. MEETINGS 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
The 1st meeting in 2015 of the 7th session	2015.3.24	He Jiale, Wong Sin Yue, Cynthia, Xiong Bo	I. Review the 2014 Work Report of the Board II. Proposal regarding the 2014 Work Report of the Supervisory Committee III. Proposal regarding the 2014 Annual Report IV. Proposal regarding the Self-assessment Report on CIMC's Internal Control for 2014 V. Proposal regarding the execution of daily related-party transactions in 2014 VI. Proposal regarding the by-election of a Supervisor representing shareholder of the 7th session of the Supervisory Committee	1. Resolution concerning the first meeting in 2015 2. Audit opinion on confirmation of daily related-party transactions in 2014	www.cninfo.com.cn www.hkexnews.hk	2015.3.25
The 2nd meeting in 2015 of the 7th session	2015.4.27	He Jiale, Wong Sin Yue, Cynthia, Xiong Bo	Proposal regarding quarterly reports of 2015	Audit opinion on the first quarterly report of 2015	www.cninfo.com.cn www.hkexnews.hk	
The 3rd meeting in 2015 of the 7th session	2015.5.12	He Jiale, Wong Sin Yue, Cynthia, Xiong Bo	Proposal regarding confirmation of the list of scheme participants for the A share options granted on 28 September 2010 and 22 September 2011	Audit opinion on confirmation of the list of scheme participants for the A share options granted on 28 September 2010 and 22 September 2011	www.cninfo.com.cn www.hkexnews.hk	2015.5.13
The 4th meeting in 2015 of the 7th session	2015.8.26	He Jiale, Wang Zhixian, Xiong Bo	Proposal regarding 2015 interim report	Audit opinion on 2015 interim report	www.cninfo.com.cn www.hkexnews.hk	2015.8.28
The 5th meeting in 2015 of the 7th session	2015.10.09	He Jiale, Wang Zhixian, Xiong Bo	1. Proposal regarding the cancellation of the outstanding share options during the first exercisable period of A share options granted on 22 September 2011 2. Proposal regarding the confirmation of the list of scheme participants for the second exercisable period of the A share options granted on 22 September 2011	1. Opinion on the cancellation of the outstanding share options during the first exercisable period of A share options granted on 22 September 2011 2. Opinion on the confirmation of the list of scheme participants for the second exercisable period of the A share options granted on 22 September 2011	www.cninfo.com.cn www.hkexnews.hk	2015.10.10
The 6th meeting in 2015 of the 7th session	2015.10.27	He Jiale, Wang Zhixian, Xiong Bo	Proposal regarding the third quarterly report of 2015	Audit opinion on the third quarterly report of 2015	www.cninfo.com.cn www.hkexnews.hk	

Chapter VII | Report of the Supervisory Committee

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

All members of the Supervisory Committee have attended the regular meetings convened by the Board.

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 of the Company conscientiously performs its duties in accordance with the applicable provisions of the PRC Company Law and the Articles of Association. During the year, the members of the Supervisory Committee attended all board meetings. They conducted supervision on the convening and decision-making procedures of the shareholders' meeting and the Board meetings, the actual implementation of the resolutions passed at the shareholders' meeting by the Board as well as the decision-making process and business operation process of the Company in accordance with the applicable laws and regulations. The Supervisory Committee considered that, during the year, the Company has made all decisions in accordance with legitimate procedures and its internal control system is sound. They are of the view that none of the Directors, president and senior management of the Company violated the Company's Articles of Association or were detrimental to the interests of the Company during their usual course of work, nor have they abused their powers to damage the interests of shareholders or employees.

2. Opinion of the Supervisory Committee on inspection of the financial status of the Company

During the year, the Supervisory Committee has examined the Company's business and financial situation, audited the annual report and interim report, quarterly reports and other documents submitted by the Board. The Supervisory Committee is of the view that these financial statements truly and fairly represent the Company's financial position and operational results.

3. Opinion of the Supervisory Committee on the actual use of proceeds from the latest fund raising exercise

During the Reporting Period, the actual projects invested with the proceeds from the fund raising exercise are consistent with the commitment, without exceptions.

Chapter VII | Report of the Supervisory Committee

4. Opinion of the Supervisory Committee on the acquisition and disposal of assets by the Company

During the Reporting Period, acquisition and disposal of assets of the Company were carried out at reasonable considerations, and no insider dealing was discovered. No prejudice to shareholders' interests, dissipation of the Company's assets or prejudice to the Company was discovered.

5. Opinion of the Supervisory Committee on connected transactions of the Company

During the Reporting Period, the continuing connected transactions of the Company were carried out with the terms of connected transaction agreement approved by the Company's independent shareholders. Connected transactions were carried out at reasonable and fair considerations, and no prejudice to the non-connected shareholders or the Company was discovered.

6. Opinion of the Supervisory Committee on the operation of the internal control system of the Company and on the self-assessment report on the internal control of the Company

Having conducted an adequate verification of the Company's internal control pursuant to the requirements of Basic Norms for Enterprise Internal Controls and the auxiliary guidelines on corporate internal control as well as the Internal Control Guidelines for Companies Listed on the SZSE, the Supervisory Committee is of the view: the Company's existing internal control system complies with the requirements of the applicable laws, regulations and rules and can satisfy all the requirements of effective risk control in all material aspects; Self-Assessment Report on Internal Control of CIMC for 2015 objectively and truly represents how the Company's internal control system was established, operated, examined and supervised.

By Order of the Supervisory Committee
He Jiale
Chairman of the Supervisory Committee

Shenzhen, the PRC
29 March 2016

Chapter VIII

Significant Events

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

Formulation, implementation or adjustment of profit distribution policy of ordinary shares (especially the cash dividend policy) during the Reporting Period

Applicable Not applicable

The Company has adopted a stable dividend distribution policy in a strict compliance with its relevant commitments in its H share listing document and the Articles of Association. At present, the Company distributes its dividend to shareholders once a year, namely the final dividend, and the total profit distributed in the form of cash dividend shall not be less than 30% of the average annual distributable profit of the Company in the last three years. The Company's stable and active dividend distribution policy has received a warm welcome from its shareholders and fully protects the interests of its minority shareholders. The Articles of Association specifically stipulates the Company's dividend distribution: the Company's final dividend will be determined at the shareholders' meeting by ordinary resolutions. The Company is in strict compliance with all relevant provisions under the Articles of Association over the years for its decision-making on dividend distribution. The Company strives to achieve outstanding operating results and a good return for its shareholders.

Both of the Company's plan for profit distribution and plan for conversion of capital reserves into share capital comply with the Company's Articles of Association and other relevant provisions during the Reporting Period.

Particulars of Cash Dividend Policy

Was it in compliance with the requirements of the Company's Articles of Association and the resolution of the general meeting:	Yes
Was the dividend distribution criteria and proportion well-defined and clear:	Yes
Was the related decision making process and mechanism in place:	Yes
Did independent Directors fulfil their duties and play their roles:	Yes
Were the minority shareholders given opportunities to sufficiently voice their opinions and make requests and were their legal interests fully protected:	Yes
Were conditions and procedures legal and transparent in respect of the cash dividend policy with adjustments or changes:	Not applicable

The Company's profit distribution plans and the conversion plans of conversion of capital reserves into share capital in the past three years (the Reporting Period inclusive):

- The dividend payment plan for the year of 2015: based on the total share capital of the Company as at the dividend payment record date for the year of 2015, we distributed RMB2.20 in cash (including tax) for every 10 shares. For illustration only, if calculated based on the total share capital of 2,977,819,686 shares of the Company as at 31 December 2015, it is expected that a total dividend of RMB655,120,331 will be distributed. The proposed dividend is expected to be payable on or around 20 July 2016. The annual dividend-distribution plan for 2015 shall be submitted to the Company's annual general meeting for consideration and approval.

Chapter VIII | Significant Events

- The dividend payment plan for the year of 2014: based on the total share capital of the Company as at the dividend payment record date for the year of 2014, we distributed RMB3.10 in cash (including tax) for every 10 shares, amounting to a total dividend of RMB833,748,000.
- The dividend payment plan for the year of 2013: based on the total share capital of the Company as at the dividend payment record date for the year of 2013, we distributed RMB2.70 in cash (including tax) for every 10 shares, amounting to a total dividend of RMB720,037,000.

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

Unit: RMB thousand

Year	Amount of cash dividend (including tax)	Net profit attributable to ordinary shareholders of the Company in the consolidated statements of the year declaring	% of net profit attributable to ordinary shareholders of the Company in the consolidated statements	Amount of cash dividend in other ways	% of cash dividend in other ways
2015 (Proposal)	655,120	1,974,005	33.19%	0	0
2014	833,748	2,477,802	33.65%	0	0
2013	720,037	2,180,321	33.02%	0	0

The Company recorded a profit during the Reporting Period, and the profit distributable to the ordinary shareholders of parent 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

Applicable Not applicable

Number of bonus shares for every 10 shares (share)	0
Amount of dividend for every 10 shares (RMB) (including tax)	2.20
Number of shares converted for every 10 shares (share)	0
Basis of share capital of distribution plan (share)	2,977,819,686
Total cash dividend (RMB) (including tax)	655,120,330.92
Distributable profit (RMB)	1,403,140,000
% of cash dividend in total profit distribution	100%

Description of cash dividend

Where the Company is in a developed stage with no substantial capital expenditure arrangement, the dividend distributed in the form of cash shall not be less than 80% of the total profit distribution when distributing its profits.

Description of details of profit distribution or conversion of capital reserves into share capital

Based on the Group's 2015 operation results and taking into account the Group's overall financial position and cash flows situation, the Board recommended a final dividend of RMB0.22 per share (including applicable taxes) for the year of 2015. The final dividend of 2015 is subject to shareholders' approval at the annual general meeting for the year of 2015.

Chapter VIII | Significant Events

III. PERFORMANCE OF COMMITMENTS**1. Commitments Performed during the Reporting Period and Not 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**√ Applicable Not applicable

Commitment	Promisor	Type of commitment	Contents of commitment	Date of commitment	Commitment period	Implementation
Other commitments made to minority shareholders of the Company	The Company	Others	In accordance with the relevant regulations, domestic residents are not eligible to purchase foreign stocks directly, so after the implementation of the plan, domestic residents can only hold or sell its H Shares of the Company which they legally possess due to the change of listing location of shares of the Company, they are not eligible to subscribe the shares of the Company and other H shares or other overseas stocks, and also after the sales of H shares of the Company, the sales income must be timely transferred to the mainland. The Company promises domestic residents that before they are free to purchase overseas stocks, the Company will not finance by the means of allotment	15 August 2012	Before domestic residents are free to buy overseas stocks	During the course of performance
Other commitments made to minority shareholders of the Company	The Company	Dividend distribution	Shareholders' bonus return plan (2012 to 2014)	19 July 2012	2012 to 2014	Performance completed
The commitment is fulfilled in a timely manner or not	Yes					
If the commitment is not fulfilled when overdue, explanations on reasons and working plans for the next step	Not applicable					

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 Applicable √ Not applicable

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

Applicable Not applicable

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

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

Applicable Not applicable

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

Applicable Not applicable

Please refer to note V to "Chapter XIII Financial Statements Prepared in Accordance with CASBE" as set out in this Report for enterprise merger and newly set up companies.

Chapter VIII | Significant Events

IX. ENGAGEMENT AND DISENGAGEMENT OF FIRMS OF ACCOUNTANTS**The current engaged firm of accountants**

The engaged firm of accountants in the mainland	PricewaterhouseCoopers Zhong Tian LLP ("PricewaterhouseCoopers")
Payment for the accountants (RMB)	10,760,000 (including: the auditing fees for the financial statements during the year amounting to RMB9,360,000 and the auditing fees for the internal control amounting to RMB1,400,000)
Continuing service year of the accountants	4 years
CPA of the accountants	Cao Cuili, Cai Zhifeng

Whether to appoint another accounting firm during the Reporting Period

Yes No

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

Applicable Not applicable

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

Applicable Not applicable

XI. BANKRUPTCY OR REORGANISATION RELATED ISSUES

Applicable Not applicable

Chapter VIII | Significant Events

XII. MATERIAL LITIGATION AND ARBITRATION EVENTS

General information of the litigation (arbitration)	Amount involved (RMB thousand)	Lead to estimated liabilities or not	Litigation (arbitration) progress	Trial result and impact of the litigation (arbitration)	Implementation of the judgment of the litigation (arbitration)	Disclosure date	Disclosure index
The deepwater Semi-submersible Drilling Platforms SSPantanal and SSAmazonia constructed by CIMC Raffles and its subsidiaries for subsidiaries of Brazil Schahin Holding S.A. were delivered in November 2010 and April 2011, respectively; at the same time, CIMC Raffles also offered advance payment for the construction of such drilling platforms for Schahin Holding S.A. and its six affiliates.	1,300,000	No	<p>The deepwater Semi-submersible Drilling Platforms SSPantanal and SSAmazonia constructed by CIMC Raffles and its subsidiaries for subsidiaries of Brazil Schahin Holding S.A. were delivered in November 2010 and April 2011, respectively. But, the gross proceeds from sales of USD142.3 million were failed to be recovered; at the same time, CIMC Raffles also offered advance payment for the construction of such drilling platforms for Schahin Holding S.A. and its six affiliates, with the total amount of USD66.13 million also not recovered.</p> <p>As Schahin Holding S.A. and its six affiliates failed to pay the above funds according to the contract, CIMC Raffles and its subsidiaries filed a lawsuit and arbitration application for the gross proceeds from sales and advance payment against Schahin Holding S.A. and its six affiliates in December 2011 and May 2012, respectively. According to the pre-arbitration rules, CIMC Raffles has recovered a part of account receivables. As at 31 December 2013, all the advances had been recovered, while an account receivable of USD126.32 million (equivalent to approximately RMB770 million) was to be collected. During 2014, CIMC Raffles recovered an accounts receivable of USD105.54 million (including the principal of USD77.60 million and interest of USD27.94 million). As at 31 December 2014, there were account receivables of USD48.72 million to be recovered.</p> <p>In February 2015, CIMC Raffles reached a comprehensive reconciliation and signed a Settlement Agreement with Schahin Company for the unsettled litigation and arbitration. As at 5 March 2015, CIMC Raffles had recovered the remaining amount of debt, interest and legal costs which totally amounted to approximately USD71.86 million under the Settlement Agreement and other relevant documents. Since then, CIMC Raffles has basically settled the litigation and arbitration against Schahin, and recovered all the debt, interest and costs totally amounting to USD272.74 million, including the principal of USD207.92 million, interest of USD57.05 million, and legal costs of USD7.77 million.</p>	As at the date of the authorisation and issuance of the financial statement, the above litigation and arbitration have been settled. The settlement of the litigation and arbitration against Schahin and the recovery of the above arrears have a positive impact on the financial position of the Company during the Reporting Period.	Concluded	7 March 2015	www.cninfo.com.cn www.hkexnews.hk

XIII. PENALTIES AND REMEDIES

Applicable Not applicable

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

During the Reporting Period, there was no effective judgment of the court failed to be satisfied by the Company or relatively large amount of debts due and outstanding.

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 establish and improve the incentive-constraint mechanism, and effectively combine the interests of the Shareholders, the Company and its employees, an A Share(s) Share Option Incentive Scheme was considered and approved at the extraordinary general meeting of the Company on 17 September 2010. According to such scheme, the first tranche of 54,000,000 share options (the "First Tranche of Share Options") were registered on 26 January 2011 and the reserved 6,000,000 share options (the "Second Tranche of Share Options") were registered on 17 November 2011.

On 12 May 2015, upon the consideration and approval at the eighth meeting of the Board in 2015, the options of the second exercisable period for the First Tranche of Share Options and the first exercisable period for the Second Tranche of Share Options have met the exercise conditions. The second exercisable period for the First Tranche of Share Options was actually exercisable starting from 2 June 2015 to 27 September 2020 with the total exercisable options amounting to 39,660,000 options. The first exercisable period for the Second Tranche of Share Options was actually exercisable starting from 2 June 2015 to 21 September 2015 with the total exercisable options amounting to 1,392,500 options.

On 8 June 2015, the dividend distribution proposal of the Company for 2014 was considered and approved at the 2014 annual general meeting of the Company, pursuant to which the Company shall pay a cash dividend of RMB3.10 (inclusive of tax) for every 10 shares to all the Shareholders. On 22 July 2015, the implementation of the dividend distribution proposal of the Company for 2014 was completed. As considered and approved at the 11th meeting of the seventh session of the Board of the Company in 2015, after the implementation of the 2014 dividend distribution proposal of the Company, the exercise price of the First Tranche of Share Options was adjusted to RMB10.77, and that of the Second Tranche of Share Options was adjusted to RMB16.30.

On 9 October 2015, upon the consideration and approval at the 14th meeting of the seventh session of the Board of the Company in 2015, the options of the second exercisable period for the Second Tranche of Share Options have met the exercise conditions. The second exercisable period for the Second Tranche of Share Options was actually exercisable starting from 24 October 2015 to 27 September 2020 with the total exercisable options amounting to 4,132,500 options.

During the Reporting Period, 17,378,910 Share Options were exercised during the second exercisable period for the First Tranche of Share Options; 1,289,375 Share Options were exercised during the first exercisable period for the Second Tranche of Share Options which ended on 21 September 2015, with 103,125 overdue unexercised Share Options being cancelled; and 426,750 Share Options were exercised during the second exercisable period for the Second Tranche of Share Options. The total number of Share Options exercised during the Reporting Period amounted to 19,095,035, accounting for 32.58% of the total of share option incentive scheme (adjusted).

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Movements of the share options, which have been granted under the Scheme mentioned above, in the year as at 31 December 2015 are set out as below:

	Date of grant	Number of underlying shares comprised in A share options					Balance as at 31 December 2015	Exercise price per share (RMB)	Exercise period
		Balance as at 1 January 2015	Exercisable during the year	Exercised during the year	Cancelled during the year	Lapsed during the year			
Director Mai Boliang	2010.9.28	2,850,000	2,850,000	0	0	0	2,850,000	10.77	75% of the granted options 2014.9.28 to 2020.9.27
Other senior management (Total)	2010.9.28	6,750,000	6,750,000	310,000	0	0	6,440,000	10.77	75% of the granted options 2014.9.28 to 2020.9.27
Other employees	2010.9.28	30,660,000	30,060,000	17,068,910	525,000	75,000	12,991,090	10.77	75% of the granted options 2014.9.28 to 2020.9.27
	2011.9.22	6,000,000	5,525,000	1,716,125	578,125	0	3,705,750	16.30	25% of the granted options 2013.9.22 to 2015.9.21 75% of the granted options 2015.9.22 to 2020.9.27
Total	-	46,260,000	45,185,000	19,095,035	1,103,125	75,000	25,986,840	-	-

2. Share option incentive scheme of the subsidiary CIMC Enric

CIMC Enric, a subsidiary of the Company, had adopted a share option plan according to the ordinary resolution passed at its extraordinary general meeting held on 12 July 2006. The plan aimed to reward and give benefit to employees, directors and other eligible persons of CIMC Enric for their contributions to CIMC Enric. On 11 November 2009, CIMC Enric granted share options to several eligible persons according to the plan, in order to subscribe totally 43,750,000 ordinary shares with par value of HK\$0.01 per share in the share capital of CIMC Enric ("2009 Enric Share Options"); CIMC Enric granted share options to several eligible persons on 28 October 2011 according to the plan, in order to subscribe totally 38,200,000 ordinary shares with par value of HK\$0.01 per share in the share capital of CIMC Enric ("2011 Enric Share Options"); CIMC Enric granted share options to several eligible persons on 5 June 2014 according to the plan, in order to subscribe totally 38,420,000 ordinary shares with par value of HK\$0.01 per share in the share capital of CIMC Enric ("2014 Enric Share Options"). Please refer to the related announcement of CIMC Enric published on the website of the Hong Kong Stock Exchange, the relevant announcements released on the websites of the Shenzhen Stock Exchange, the Hong Kong Stock Exchange and the Company as well as the regular reports of the Company.

As at 31 December 2015, 3,440,000 share options of the 2009 Enric Share Options and 2,980,000 share options of the 2011 Enric Share Options were lapsed respectively.

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The table below sets out the changes in the share options granted under the share option incentive plan of CIMC Enric in the year as at 31 December 2015:

	Date of Grant	Number of underlying shares comprised in share options					Balance as at 31 December 2015	Exercise price per share HKD	Exercise period
		Balance as at 1 January 2015	Granted during the year	Exercised during the year	Transferred to/from other categories during the year	Lapsed during the year			
Directors of CIMC Enric									
Zhao Qingsheng (resigned on 1 April 2015)	2009.11.11	1,000,000	-	-	(1,000,000)	-	-	4.00	2010.11.11-2019.11.10
	2011.10.28	135,000	-	-	(135,000)	-	-	2.48	2013.10.28-2021.10.27
	2014.06.05	500,000	-	-	(500,000)	-	-	11.24	2016.06.05-2024.06.04
Gao Xiang	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
Liu Chunfeng (appointed on 1 April 2015)	2009.11.11	1,000,000	-	-	-	-	-	4.00	2010.11.11-2019.11.10
	2011.10.28	500,000	-	-	400,000	-	400,000	2.48	2013.10.28-2021.10.27
	2014.06.05	400,000	-	-	400,000	-	400,000	11.24	2016.06.05-2024.06.04
Jin Jianlong	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
Yu Yuqun	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
Jin Yongsheng	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
Wong Chun Ho	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
Tsui Kei Pang	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
Zhang Xueqian	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
Employees of CIMC Enric	2009.11.11	9,522,000	-	(936,000)	-	-	8,586,000	4.00	2010.11.11-2019.11.10
	2011.10.28	24,726,000	-	(370,000)	(400,000)	(120,000)	23,836,000	2.48	2013.10.28-2021.10.27
	2014.06.05	31,870,000	-	-	(400,000)	-	31,470,000	11.24	2016.06.05-2024.06.04
Other participants	2009.11.11	8,770,000	-	(2,408,000)	1,000,000	-	7,362,000	4.00	2010.11.11-2019.11.10
	2011.10.28	2,492,000	-	(430,000)	135,000	-	2,197,000	2.48	2013.10.28-2021.10.27
	2014.06.05	3,850,000	-	-	500,000	-	4,350,000	11.24	2016.06.05-2024.06.04
Total	-	90,863,000	-	(4,144,000)	-	(120,000)	86,599,000	-	-

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3. Implementation of the equity trust scheme of CIMC Vehicle

An equity trust scheme of the Company's wholly-owned subsidiary CIMC Vehicle was considered and approved at the general meeting of the Company on 17 October 2007 for implementation. Pursuant to the scheme, the senior management related to the vehicle business of the Company and the key employees of CIMC Vehicle held 20% equity interests in CIMC Vehicle by capital increase of RMB220,700,000 through China Resources SZITIC Trust Co., Ltd.. Please refer to the relevant announcements released on the websites of the Shenzhen Stock Exchange, the Hong Kong Stock Exchange and the Company as well as the regular reports of the Company.

XVI. MATERIAL CONNECTED TRANSACTIONS

(I) Connected Transactions as Defined by Domestic Laws and Regulations

1. Connected Transactions Relating to Daily Operations

√ Applicable □ Not applicable

Related party	Relationship with the Group	Type of the connected transaction	Details of the connected transaction	Pricing principle	Price	Amount (RMB thousand)	Proportion to transaction amount of the same category	Whether approved cap has been exceeded	Settlement method	Available market price of the same transaction category	Disclosure date	Disclosure index
							Approved cap (RMB thousand)	Settlement method	Available market price of the same transaction category	Disclosure date	Disclosure index	
Y&C Engine Co., Ltd.	Joint venture	Purchase of goods	Purchase of goods	Regular commercial terms	-	524,618	-	-	-	-	-	-
TSC Offshore Group Ltd	Associated company	Purchase of goods	Purchase of goods	Regular commercial terms	-	278,051	-	-	-	-	-	-
Xuzhou CIMC Wood Co., Ltd.	Associated company	Purchase of goods	Purchase of goods	Regular commercial terms	-	169,056	-	-	-	-	-	-
Asahi Trading Co., Ltd	Minority shareholder of a subsidiary	Purchase of goods	Purchase of goods	Regular commercial terms	-	51,187	-	-	-	-	-	-
Shaanxi Heavy Duty Automobile Co., Ltd.	Minority shareholder of a subsidiary	Purchase of goods	Purchase of goods	Regular commercial terms	-	41,817	-	-	-	-	-	-
Sumitomo Corporation	Minority shareholder of a subsidiary	Purchase of goods	Purchase of goods	Regular commercial terms	-	13,396	-	-	-	-	-	-
Other related parties	-	Purchase of goods	Purchase of goods	Regular commercial terms	-	19,507	-	-	-	-	-	-
Other related parties	-	Receiving of services	Receiving of services	Regular commercial terms	-	735	-	-	-	-	-	-

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Related party	Relationship with the Group	Type of the connected transaction	Details of the connected transaction	Pricing principle	Price	Amount (RMB thousand)	Proportion to transaction amount of the same category	Approved cap (RMB thousand)	Whether approved cap has been exceeded	Settlement method	Available market price of the same transaction category	Disclosure date	Disclosure index
Florens Maritime Limited	Subsidiary of significant shareholder	Sale of goods	Sale of goods	Regular commercial terms	-	835,084	-	-	-	-	-	-	-
Florens Container Corporation S.A.	Subsidiary of significant shareholder	Sale of goods	Sale of goods	Regular commercial terms	-	158,007	-	-	-	-	-	-	-
Sumitomo Corporation	Minority shareholder of a subsidiary	Sale of goods	Sale of goods	Regular commercial terms	-	188,413	-	-	-	-	-	-	-
Shaanxi Heavy Duty Automobile Co., Ltd.	Minority shareholder of a subsidiary	Sale of goods	Sale of goods	Regular commercial terms	-	144,062	-	-	-	-	-	-	-
NYK Zhenhua Logistics (Tianjin) Co., Ltd.	Joint venture	Sale of goods	Sale of goods	Regular commercial terms	-	9,171	-	-	-	-	-	-	-
COSCO Container Industries Limited	Significant shareholder of the Company	Sale of goods	Sale of goods	Regular commercial terms	-	137	-	-	-	-	-	-	-
Guangxi South Logistics	Joint venture	Sale of goods	Sale of goods	Regular commercial terms	-	13	-	-	-	-	-	-	-
Other related parties	-	Sale of goods	Sale of goods	Regular commercial terms	-	13,493	-	-	-	-	-	-	-
Other related parties	-	Rendering of services	Rendering of services	Regular commercial terms	-	21,908	-	-	-	-	-	-	-
Total	-	-	-	-	-	2,468,655	-	-	-	-	-	-	-

Details of substantial sales return

Nil

Projected total amount of connected transactions in the ordinary course of business during the current period by type and actual performance during the reporting period (if any)

Not applicable

Reason for the substantial difference between transaction prices and referential market prices (if applicable)

Not applicable

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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**Claims receivable from the related party**

Unit: RMB thousand

Related party	Relationship with the Group	Reason	Any appropriation of funds for non-operating purposes	Opening balance	Amount increased during the current period	Amount recovered during the current period	Interest rate	Interest for the current period	Closing balance
Shanghai Fengyang Real Estate Development Co., Ltd.	Associated company of the Group	Operating borrowings by shareholders in same ratio	No	34,204	-	-	-	-	34,204
Xinyang Wood Hong Kong Co., Ltd.	Associated company of the Group	Operating borrowings by shareholders in same ratio	No	3,846	238	-	-	-	4,084
Marine Subsea & Consafe Limited	Associated company of the Group	Operating borrowings by shareholders	No	279,940	17,087	-	-	-	297,027
Nantong New Atlantic Forest Industry Ltd.	Associated company of the Group	Operating borrowings by shareholders in same ratio	No	24,000	-	9,000	-	1,845	15,026
Guangzhou KYH Metal Co., Ltd.	Associated company of the Group	Operating borrowings by shareholders in same ratio	No	14,022	-	7,811	-	497	6,211
Frigstad Deepwater Holding Limited	Minority shareholder of a subsidiary	Operating borrowings by shareholders in same ratio	No	156,474	-	9,981	-	-	146,493
Other related parties	-	-	-	-	6,646	-	-	-	6,646

Effect of claims among the connected transactions on the operating results and financial position of the Company

Nil

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Liabilities payable to the related party

Unit: RMB thousand

Related party	Relationship with the Group	Reason	Opening balance	Amount increased during the current period	Amount repaid during the current period	Interest rate	Interest for the current period	Closing balance
Gasfin Investment S.A	Minority shareholder of a subsidiary	Operating borrowings by shareholders in same ratio	39,790	-	129	-	1,626	39,661
Eighty Eight Dragons Limited	Minority shareholder of a subsidiary	Operating borrowings by shareholders in same ratio	168,695	13,945	-	-	12,854	182,640
Quercus Limited	Minority shareholder of a subsidiary	Operating borrowings by shareholders in same ratio	49,978	3,813	-	-	6,344	53,791
Shiny Laburnum Limited	Minority shareholder of a subsidiary	Operating borrowings by shareholders in same ratio	6	319	-	-	38	325
Shunde Furi Real Estate Investment Co., Ltd	Minority shareholder of a subsidiary	Operating borrowings by shareholders	-	56,237	-	-	-	56,237
Shunde Binuo Sunshine Real Estate Co., Ltd	Minority shareholder of a subsidiary	Operating borrowings by shareholders	-	43,850	-	-	-	43,850

Effect of liabilities among the connected transactions on the operating results and financial position of the Company Nil

Whether there are non-operating claims and liabilities among the connected transactions

Yes No

5. Other Material Connected Transactions

Applicable Not applicable

(II) Connected Transactions Defined in accordance with the Hong Kong Listing Rules

The following connected transactions should be disclosed in this annual report pursuant to Rule 14A of the Hong Kong Listing Rules:

1. One-off Connected Transaction

The Company entered into subscription agreement with COSCO Container Industries Limited (“COSCO Container”) on 23 December 2013, and entered into amendment agreements on 23 June 2014 and 26 March 2015 respectively, pursuant to which the Company has agreed to issue an aggregate of 65,099,638 new H Shares to COSCO Container at the subscription price of HK\$13.48 per H Share and COSCO Container has conditionally agreed to subscribe for such new H Shares with cash consideration of HK\$877,543,000 (the “Subscription”). The Subscription has been completed on 31 December 2015.

Before the completion of the Subscription, COSCO Container holds 155,420,437 H Shares and 432,171,843 A Shares of the Company, representing 21.83% of the total issued shares of the Company. COSCO Container is a substantial Shareholder of the Company and thus a connected person of the Company pursuant to Rule 14A.07(1) of the Hong Kong Listing Rules. Upon the completion of the Subscription, COSCO Container holds 220,520,075 H Shares and 432,171,843 A Shares of the Company, representing 21.92% of the total issued shares of the Company. For relevant information, please refer to the announcements published by the Company on the website of the Hong Kong Stock Exchange (www.hkexnews.hk), China Securities Journal, Shanghai Securities News, Securities Times, Cninfo website (www.cninfo.com.cn) and the Company’s website (www.cimc.com).

2. Continuing Connected Transaction between the Group and COSCO Pacific Limited (“COSCO Pacific”)

The Group and COSCO Pacific entered into a framework agreement of commodity sales on 12 December 2012 and 21 March 2013 respectively in respect of providing commodities such as containers by the Group to COSCO Pacific and its subsidiaries (“Original Framework Agreement”), which has expired at the end of 2014. On 18 December 2014, the Company entered into a new framework agreement (“New Framework Agreement”) with COSCO Pacific, pursuant to which both parties agreed that the Group would continue to provide commodities (including but not limited to containers) to COSCO Pacific Group and reached an agreement on the annual caps for the years ending 31 December 2015, 2016 and 2017.

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Principal terms of the New Framework Agreement are as follows:

Principle of price determination: The prices and charges of the commodities provided by the Group to the COSCO Pacific Group should be fair and reasonable and be determined in according to the following principles:

- (a) where the bidding process is required, such bidding pricing;
- (b) where there is no bidding process, the Group will make reference to the market price (including the comparable local, domestic or international market price) based on the commodities' type and quality. The market price in the industry will be collected by the business departments of the Group through independent third parties such as industry associations; or
- (c) where neither of the above prices is applicable or where it is not practicable to apply the above pricing policies, the group will negotiate with the COSCO Pacific Group on arm's length basis after considering the cost, technology, quality and volume of the commodities and the historical prices of the relevant commodities. The prices and terms will not be less favorable to the Group than those of the Group offered the similar commodities to independent third parties.

In order to ensure the continuing connected transaction will be conducted on normal commercial terms and in the interests of the Group and the Shareholders as a whole, the Group regularly reviews, monitors and benchmarks with the industry the gross profit margin in respective of the sale of the commodities. The Group also conducts monthly and quarterly reviews of the profit level of the commodities sold to the COSCO Pacific Group.

Termination: The New Framework Agreement is valid for three years commencing from 1 January 2015 to 31 December 2017 (both dates inclusive). During the term of the New Framework Agreement, each of the parties can serve not less than three months prior written notice to the other party to terminate any specific agreement under the New Framework Agreement or the New Framework Agreement itself.

Total trading amount in 2015: According to the New Framework Agreement, the annual trading cap for the year ended 31 December 2015 was RMB1,800,000,000, while the actual total transactions during the Reporting Period was RMB993,228,000, within the upper annual transaction limit.

Description of the connected relationship between the parties to the transactions: COSCO Pacific is a 30%-controlled company (as defined under Rule 14A.06 of the Hong Kong Listing Rules) held by China Ocean Shipping (Group) Company ("COSCO"), a substantial Shareholder of the Company indirectly holding 22.77% of the issued share capital of the Company as of the end of the Reporting Period. Therefore, COSCO Pacific and each of its subsidiaries are connected persons of the Company under Chapter 14A of the Hong Kong Listing Rules. As such, the transaction contemplated under the New Framework Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules. For details of the above transactions, please refer to the Company's announcement published on 18 December 2014 and circular released on 6 January 2016.

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Purpose of the transactions: The COSCO Pacific Group is one of the global leading providers of container leasing and management service. Taking into account of the long-term reliable business relationships between the Group and the COSCO Pacific Group, the Directors (including the independent non-executive Directors) consider that it is beneficial to the Group to continue the continuing connected transaction which is conducive to facilitate the operation and growth of the Group's container business. The Directors (including the independent non-executive Directors) consider that the terms of the New Framework Agreement in respect of the continuing connected transactions (including the proposed annual caps) are fair and reasonable, the continuing connected transaction (including the proposed annual caps) is on normal commercial terms or better and in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole.

Internal control measures: The Group has established a series of measures and policies, including contract policies, connected transaction management methods and internal control management methods, to ensure that continuing connected transactions will be conducted in accordance with the New Framework Agreement. The Company's auditing and monitoring department will conduct random internal assessments on the internal control measures of the Company, to ensure that the internal control measures in respect of the continuing connected transactions remain complete and effective, and report the assessment results to the audit committee of the Board, the Board and the Supervisory Committee of the Company. The Company's external auditors will conduct an annual audit on the Company's internal control measures, and an annual review on the continuing connected transactions under the New Framework Agreement pursuant to the requirements under the Hong Kong Listing Rules.

Independent non-executive Directors' confirmation: In relation to the above continuing connected transactions of the Group, the independent non-executive Directors of the Company have reviewed and confirmed that:

- The transactions mentioned above have been entered into in the ordinary and usual course of business of the Group;
- The transactions mentioned above have been entered into on normal commercial terms or better terms; and
- The transactions mentioned above have been entered into in accordance with the terms of relevant agreements governing them and on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Auditor's confirmation: The auditors of the Company have reviewed the continuing connected transactions mentioned above and have confirmed with the Board in relation thereto that:

- Nothing has come to auditors' attention that causes them to believe that such continuing connected transactions as disclosed above have not been approved by the Board;

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- In relation to the transactions regarding provision of commodities and services by the Group, nothing has come to auditors' attention that causes them to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Company;
- Nothing has come to auditors' attention that causes them to believe that the transactions were not entered into, in all material respects, in accordance with the agreements in relation to such transactions, and
- Nothing has come to auditors' attention that causes them to believe that the actual transaction amounts exceeded the annual caps disclosed by the Company on 18 December 2014 in relation to the continuing connected transactions.

3. Connected Transactions and Related-Party Transactions

For details of the Group's connected transactions and related-party transactions during the Reporting Period, please refer to note VIII. 5 to "Chapter XIII Financial Statements Prepared in Accordance with CASBE" in this Report. Except for the connected transactions and continuing connected transactions as disclosed in this section, there are no other related-party transactions that should be disclosed as connected transactions and continuing connected transactions in accordance with the disclosure provisions under Rule 14A of the Hong Kong Listing Rules.

XVII. MATERIAL CONTRACTS AND THEIR PERFORMANCES

1. Trusteeship, Sub-contracting or Leasing

(1) Trusteeship

During the Reporting Period, there was no trusteeship of the Company generating a profit or loss which contributed to 10% or more of the total profit of the Company during the Reporting Period.

(2) Sub-contracting

During the Reporting Period, there was no sub-contracting of the Company generating a profit or loss which contributed to 10% or more of the total profit of the Company during the Reporting Period.

(3) Leasing

During the Reporting Period, there was no leasing of the Company generating a profit or loss which contributed to 10% or more of the total profit of the Company during the Reporting Period.

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2. Material Guarantees

√ Applicable □ Not applicable

(1) Description of Guarantees

Unit: RMB thousand

External guarantees undertaken by the Company and its subsidiaries (excluding guarantees for subsidiaries)								
Name of the guaranteed	Disclosure date of the announcement about the guarantee facilities	Guarantee facilities	Actual date (date of the agreement)	Actual amount of guarantee	Type of guarantee	Guarantee period	Fulfilled or not	Related party guarantee or not
Customers and dealers of subsidiaries of CIMC Vehicle	21 April 2015	2,288,510	1 January 2015	809,315	Warrandice	1-2 years	No	No
Customers and dealers of C&C Trucks and its controlling subsidiaries	21 April 2015	1,134,000	1 January 2015	211,560	Warrandice	1-2 years	No	No
Total external guarantee facilities approved during the Reporting Period (A1)			1,081,750	Total actual amount of external guarantees during the Reporting Period (A2)				924,953
Total external guarantee facilities approved at the end of the Reporting Period (A3)			3,422,510	Total actual balance of external guarantees at the end of the Reporting Period (A4)				1,020,875
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
Subsidiaries of CIMC	21 April 2015	17,348,010	1 January 2015	10,518,110	Warrandice	1-2 years	No	No
Total guarantee facilities for subsidiaries approved during the Reporting Period (B1)			1,267,690	Total actual amount of guarantees for subsidiaries during the Reporting Period (B2)				671,640
Total guarantee facilities for subsidiaries approved at the end of the Reporting Period (B3)			17,348,010	Total actual balance of guarantees for subsidiaries at the end of the Reporting Period (B4)				10,518,110

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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 of one subsidiary for another	21 April 2015	12,905,170	1 January 2015	5,425,410	Warrantice	1-2 years	No	No
Total guarantee facilities for subsidiaries approved during the Reporting Period (C1)			2,082,250	Total actual guarantee amount for subsidiaries during the Reporting Period (C2)				1,459,110
Total guarantee facilities for subsidiaries approved at the end of the Reporting Period (C3)			12,905,170	Total actual guarantee balance for subsidiaries at the end of the Reporting Period (C4)				5,425,410
Total guarantee of the Company (total of the above three items)								
Total guarantee facilities approved during the Reporting Period (A1+B1+C1)			4,431,690	Total actual guarantee amount during the Reporting Period (A2+B2+C2)				3,055,703
Total guarantee facilities approved at the end of the Reporting Period (A3+B3+C3)			33,675,690	Total actual guarantee balance at the end of the Reporting Period (A4+B4+C4)				16,964,395
% of total actual guarantee amount (A4+B4+C4) in net assets of the Company								59.44%
Of which:								
Guarantee amount provided to Shareholders, the de facto controller and related parties (D)								0
Debt guarantee amount provided directly or indirectly to the guaranteed with a gearing ratio of over 70% (E)								8,956,830
Amount of total guarantee amount in excess of 50% of net assets of the Company (F)								2,693,736
Total amount of the above three guarantees (D+E+F)								11,650,566

(2) **Illegal External Guarantees**

Applicable Not applicable

3. Entrusted Cash or Assets Management(1) **Entrusted Wealth Management**

Applicable Not applicable

Chapter VIII | Significant Events

(2) Entrusted Loans

√ Applicable □ Not applicable

Unit: RMB thousand

Borrower	Related party transaction or not	Interest rate	Amount	Commencing date	Termination date	Actual principal amount recovered during the Reporting Period		Estimated returns	Actual profit or loss during the Reporting Period	Actual amount of profit or loss recovered during the Reporting Period
						Amount provided for impairment	Amount			
Xiamen Xinsuangrong Automobile Driving Training Limited	No	21.00%	5,200	2013/10/21	2016/2/29	-	1,809	1,210	-	-
Shenzhen Pengsangpu Energy Services Co., Ltd.	No	9.00%	6,800	2014/1/21	2018/12/24	-	3,030	1,663	-	-
Xiamen Yingzhong Fuhai Automobiles Limited	No	7.70%	38,000	2013/10/21	2016/9/27	12,887	103	3,967	1,340	1,340
Xiamen Hongxin International Logistics Co., Ltd.	No	8.75%	23,000	2013/11/20	2016/10/30	7,759	70	3,115	985	985
Quanzhou Jincheng Maritime Transport Co., Ltd.	No	14.64%	18,000	2013/6/10	2016/11/10	10,107	21	3,086	1,328	1,328
Quanzhou Jincheng Maritime Transport Co., Ltd.	No	14.64%	18,000	2013/1/21	2016/6/21	8,168	21	2,820	1,535	1,535
Quanzhou Jincheng Maritime Transport Co., Ltd.	No	15.30%	16,000	2014/4/16	2018/10/11	12,644	21	3,292	2,045	2,045
Fujian Tianlong Steamship Limited	No	10.56%	34,000	2014/8/15	2017/8/11	10,649	220	5,875	2,625	2,625
Quanzhou Jincheng Maritime Transport Co., Ltd.	No	14.17%	11,350	2014/10/27	2016/2/27	9,260	21	1,168	1,168	1,168
Quanzhou Jincheng Maritime Transport Co., Ltd.	No	14.17%	7,800	2014/10/27	2016/2/27	5,910	19	802	802	802
Xiamen Zhiyuan Automobile Limited	No	7.80%	50,000	2014/10/21	2017/9/28	16,667	292	6,240	2,683	2,683
Fujian Tianlong Steamship Limited	No	10.56%	34,000	2014/11/21	2017/10/21	10,344	201	5,703	2,793	2,793
Lingbao Guoshi Mining Limited Liability Company	No	9.78%	36,000	2015/6/21	2016/5/21	-	360	3,521	3,164	3,163
Xiamen Xiangyu Free Trade Zone Fengyi Logistics Co., Ltd. (廈門象嶼保稅區豐億物流有限公司)	No	12.26%	35,000	2015/5/28	2015/11/28	35,000	-	2,543	2,543	2,543
Total		-	333,150	-	-	139,395	6,188	45,005	23,011	-
Source of funds for entrusted loans										Borrowings from the Group
Aggregate amount of overdue and outstanding principal and return										6,096
Litigation incurred (if applicable)										Litigations against Xinsuangrong and Pengsangpu are in process
Date of announcement of the Board regarding the approval of entrusted loans										Nil
Date of announcement of the general meeting regarding the approval of entrusted loans										Nil
Whether there is any future plan of entrusted loans										Nil

4. Other Material Contracts

□ Applicable √ Not applicable

XVIII. EXPLANATION ON OTHER MATERIAL EVENTS

1. On 18 December 2014, the Company and COSCO Pacific entered into a new framework agreement to update the continuing connected transactions. On 3 March 2015, the new framework agreement was considered and approved at the 2015 First Extraordinary General Meeting of the Company. For relevant information, please refer to the Announcement of China International Marine Containers (Group) Co., Ltd. in relation to the Forecast of Routine Connected Transactions from 2015 to 2017 and the Announcement on the Resolutions of the 2015 First Extraordinary General Meeting (Announcement No.: [CIMC] 2014-050 and [CIMC] 2015-009) disclosed by the Company on China Securities Journal, Shanghai Securities News, Securities Times, Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) on 19 December 2014 and 4 March 2015, and the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk).
2. On 3 March 2015, the Resolution on the Registration and Issue of RMB Perpetual Medium Term Note was considered and approved at the 2015 first Extraordinary General Meeting of the Company, and the Company was approved to issue RMB perpetual medium term note ("Perpetual Bonds") with a size of no more than RMB4 billion (including RMB4 billion). On 16 June 2015, the issue of the Perpetual Bonds with a size of RMB2.0 billion and a coupon rate of 5.19% for the preceding three years of interest calculation was completed. The Perpetual Bonds shall be redeemed by the issuer at maturity as agreed under the issue terms. The proceeds from the issue of the Perpetual Bonds will be used to fund the equipment upgrade and project construction of the Company and its subsidiaries and for repayment of bank borrowings of the Company and its subsidiaries. For relevant information, please refer to the announcements (Announcement No.: [CIMC] 2015-009, [CIMC] 2015-035 and [CIMC] 2015-039) disclosed by the Company on China Securities Journal, Shanghai Securities News, Securities Times, Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) on 4 March 2015, 1 June 2015 and 17 June 2015, and the announcements published on the website of the Hong Kong Stock Exchange.
3. On 23 December 2013, 23 June 2014 and 26 March 2015, the Company entered into subscription agreements and amendment agreements with each of COSCO Container Industries Limited, Broad Ride Limited and Promotor Holdings Limited (collectively, the "Subscribers"), respectively, pursuant to which the Company intended to issue a total of 286,096,100 H shares to the Subscribers at HK\$13.48 per share under general mandates. The proceeds from the issue of such new H shares would be used for the Company's working capital. As at 31 December 2015, the issue of such H shares has been completed. For details of the use of raised proceeds, please refer to "5. Use of Raised Proceeds" of "V. Investments" under "Chapter V Management Discussion and Analysis Prepared in Accordance with the Domestic Securities Rules" in this Report. For details, please refer to the announcements of the Company dated 25 December 2013, 5 June 2014, 24 June 2014, 26 June 2014, 7 March 2015, 27 March 2015, 9 June 2015, 2 July 2015, 23 July 2015 and 4 January 2016 published on China Securities Journal, Shanghai Securities News, Securities Times, Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcement No.: [CIMC] 2013-056, [CIMC] 2014-020, [CIMC] 2014-023, [CIMC] 2014-025, [CIMC] 2015-011, [CIMC] 2015-018, [CIMC] 2015-038, [CIMC] 2015-041, [CIMC] 2015-045 and [CIMC] 2015-070) and announcements of the Company published on the website of Hong Kong Stock Exchange at www.hkexnews.hk.
4. After the balance sheet date of the Reporting Period, at the Board meeting held on 8 April 2016, the Board approved the proposed issuance of not more than 386,263,593 new A Shares (including 386,263,593 A Shares) to the subscribers that meet the relevant requirements and terms at an issuance price of not less than RMB13.86/Share and gross proceeds to be raised from the non-public issuance of A Shares will not exceed RMB6.0 billion. The non-public issuance of A Shares is subject to: (1) the approvals by the Shareholders at the 2015 annual general meeting and the 2016 first class meeting, respectively; and (2) the approval by the CSRC. For relevant information, please refer to the announcements (announcement No.: [CIMC] 2016-018) published by the Company on China Securities Journal, Shanghai Securities News, Securities Times, Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) and the announcement published on the website of the Stock Exchange (www.hkexnews.hk) on 9 April 2016.

XIX. MATERIAL EVENTS OF SUBSIDIARIES OF THE COMPANY

1. On 27 February 2015, Profit Asia International Trading Limited (an indirect wholly-owned subsidiary of CFSE and as the purchaser), CIMC Top Gear B.V. (an indirect wholly-owned subsidiary of the Company and as the vendor), CFSE (as the guarantor of the purchaser's obligations) and CIMC (HK) (as the guarantor of the vendor's obligations) entered into an acquisition agreement, pursuant to which Profit Asia International Trading Limited has agreed to purchase the sale shares and the sale loans of Ziegler from CIMC Top Gear B.V. at a consideration of HK\$489,428,572, which shall be satisfied by CFSE by way of issuance of 1,223,571,430 consideration shares at the issue price of HK\$0.4 per consideration share to CIMC Top Gear B.V. On 10 July 2015, following the completion of the acquisition agreement, Ziegler has become an associated company of the CFSE and an indirect non-wholly-owned subsidiary of the Group. The Group became the single largest shareholder of CFSE and was interested in 30% of the issued share capital of CFSE. CFSE became an associated company of the Group. For relevant information, please refer to the announcements (Notice No.: [CIMC] 2015-008 and [CIMC] 2015-043) disclosed by the Company on China Securities Journal, Shanghai Securities News, Securities Times, Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) on 28 February 2015 and 11 July 2015, and the announcements published on the website of the Stock Exchange (www.hkexnews.hk).
2. In February 2015, CIMC Raffles and Schahin Group in Brazil reached a full settlement and entered into a reconciliation agreement in respect of the Schahin litigations and arbitrations. For the outstanding balance for shipbuilding, as at 5 March 2015, pursuant to the reconciliation agreement and relevant documents, CIMC Raffles has received the remaining balance of principal, interest and legal expenses in the amount of approximately US\$71,860,000. As of now, the Schahin litigations and arbitrations of CIMC Raffles have been basically completed, and the entire amount of outstanding balances, interests and other fees in the total amount of approximately US\$272,740,000 has been successfully recovered from Schahin, including the principal of US\$207,920,000, interest of US\$57,050,000 and legal expenses of US\$7,770,000. The completion of the Schahin litigations and arbitrations and the recovery of the aforementioned outstanding balances have positive impacts on the financial position of the Group for the current year. For relevant information, please refer to the announcement (Notice No.: [CIMC] 2015-010) disclosed by the Company on China Securities Journal, Shanghai Securities News, Securities Times, Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) on 7 March 2015, and the announcement published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk).

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XX. ENVIRONMENT AND SOCIAL RESPONSIBILITY

The Company and its subsidiaries are not in the highly polluting industries specified by national environmental protection authorities.

Whether the Company publishes social responsibility report

Yes No

Please refer to the full text of the report of social responsibility which has been disclosed by the Group on CNINFO Network on <http://www.cninfo.com.cn/>.

Nature of the Company	Social responsibility report			Report disclosure standards	
	whether includes information on environment	whether includes information on society	whether includes information on corporate governance	Domestic standards	Foreign standards
Others	Yes	Yes	Yes	GSRI-CHINA2.0	GRI

Detailed description

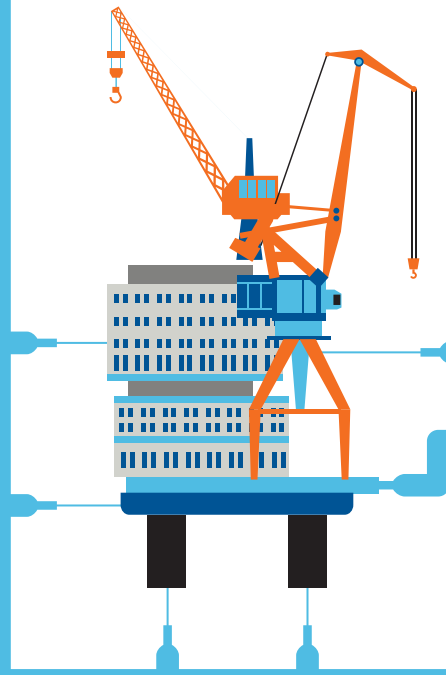
1. Whether the Company received environmental management system certification (ISO14001) Yes
2. The annual expense of the Company in respect of environment protection (RMB thousand) 95,000
3. The Company's emissions performance of "waste gas, waste water and waste residue"
 - (1). Waste gas:
 - a. Shenzhen CIMC Special Vehicle Co., Ltd. (CIMCSV) purchased 6 high-pressure spraying devices; and completed the VOC treatment work through renovating the chamber exits, adding a moisture exhaust system and using water-based paint instead of solvent-based paint.
 - b. Yangzhou CIMC Tong Hua Special Vehicles Co., Ltd. (YZTH) decreased the number of stiffening rings outside an insulation tank car, which reduced the welding seams, and then the consumption of CO₂ in welding, and thus reduced exhaust emission.
 - (2). Waste water:
 - a. Liangshan Dongyue Vehicle Co., Ltd. (LSDYV) invested RMB180,000 in its spraying wastewater treatment facility project. The spraying wastewater treatment facility adopts a flotation + Fenton reagent oxidation + sedimentation + filtration treatment process, the operating cost of which is approximately RMB2.5/m³, less than that of fresh tap water. The process operates with such a low cost that is considered to be economically reasonable. What's more, its performance in wastewater treatment turns out to be good, with the concentration of COD in the treated effluent meeting the relevant emission standards in a stable manner.

Chapter VIII | Significant Events

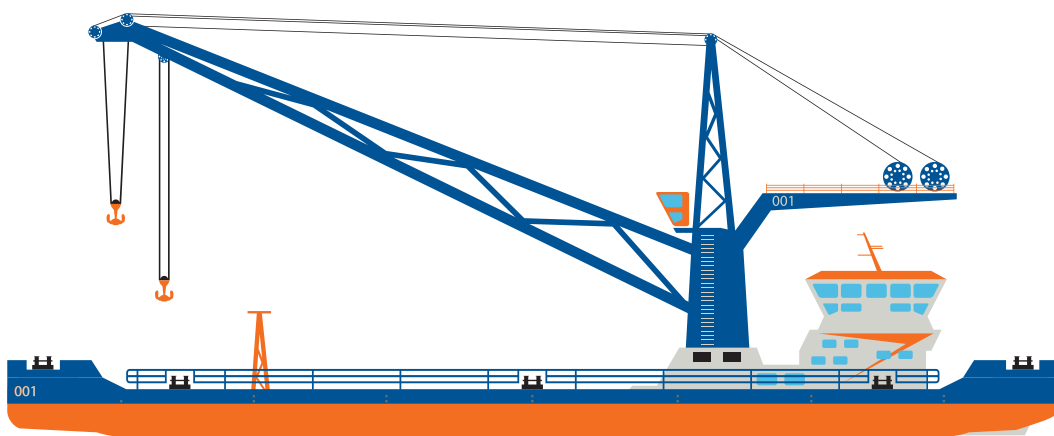
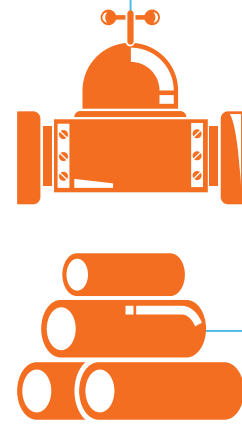
- (3). Waste residue:
- a. CIMC treats the hazardous waste of more than 10 subsidiaries in a comprehensive approach through collecting hazardous waste concentratively in a specially established hazardous waste storage warehouse, and then entrusting a qualified hazardous waste processing enterprise for the recycling, so as to ensure the proper disposal of waste residue and the full compliance with environmental protection requirements.
 - b. Zhumadian CIMC Huajun Vehicle Co. Ltd. (HJCIMC) packs the waste sand produced at the site of casting with plastic-woven jumbo bags, which would be promptly carted away by employed vehicles, to prevent waste residue pollution.
 - c. CIMC – SHAC (Xi’An) Special Vehicle Co., Ltd. (XASV) manufactured and renovated 121 urban muck trucks for customers. The new trucks were equipped with covers and canopy systems for environmental protection purpose, with a view to minimising dust blowing during the transportation of muck and thus reducing pollution to the environment.
4. The Company’s expense on personal knowledge and skill improvement of the employee to enhance their professional development capability (RMB thousand) 11,234
5. The Company’s social charity donations (money, material and no-paid professional service) (RMB thousand) 2,850
-

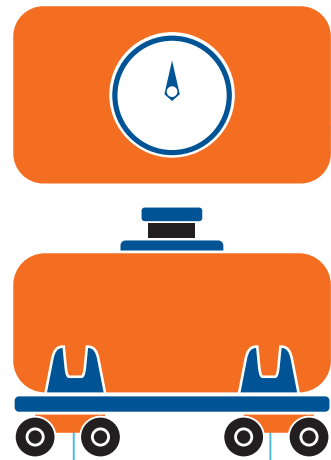
XXI. CORPORATE BONDS

The Company has no publicly issued corporate bonds that are listed on stock exchanges, undue as at the date approving the issue of the annual report or falling due but not fully repaid.



Offshore Engineering Business





Chapter IX

Changes in Share Capital and
Information on Shareholders

I. CHANGES IN SHAREHOLDINGS DURING THE REPORTING PERIOD

1. Changes in Shareholdings

Unit: Shares

	Pre-movement		Increase/decrease (+/-)					Post-movement	
	Numbers of shares	Percentage	New issue	Bonus issue	Conversion from reserves	Others	Sub-total	Numbers of shares	Percentage
I. Shares with selling restrictions	633,526	0.02%	232,500	0	0	0	232,500	866,026	0.03%
1. State-owned shares	0	0.00%	0	0	0	0	0	0	0.00%
2. Shares held by state-owned companies	0	0.00%	0	0	0	0	0	0	0.00%
3. Shares held by other domestic investors	633,526	0.02%	232,500	0	0	0	232,500	866,026	0.03%
Shares held by domestic legal persons	0	0.00%	0	0	0	0	0	0	0.00%
Shares held by domestic natural persons	633,526	0.02%	232,500	0	0	0	232,500	866,026	0.03%
4. Shares held by foreign investors	0	0.00%	0	0	0	0	0	0	0.00%
Shares held by foreign legal persons	0	0.00%	0	0	0	0	0	0	0.00%
Shares held by foreign natural persons	0	0.00%	0	0	0	0	0	0	0.00%
II. Shares without selling restrictions	2,671,995,025	99.98%	304,958,635	0	0	0	304,958,635	2,976,953,660	99.97%
1. RMB-denominated ordinary shares	1,241,514,516	46.45%	18,862,535	0	0	0	18,862,535	1,260,377,051	42.32%
2. Shares traded in non-RMB currencies and listed domestically	0	0.00%	0	0	0	0	0	0	0.00%
3. Shares traded in non-RMB currencies and listed overseas	1,430,480,509	53.53%	286,096,100	0	0	0	286,096,100	1,716,576,609	57.65%
4. Others	0	0.00%	0	0	0	0	0	0	0.00%
III. Total shares	2,672,628,551	100.00%	305,191,135	0	0	0	305,191,135	2,977,819,686	100.00%

Reasons for changes in shares during the Reporting Period:

- In July 2015, the Company's senior management Mr. Yu Ya exercised 100,000 share options. In September 2015, Mr. Jin Jianlong exercised 110,000 share options. In December 2015, Mr. Liu Xuebin exercised 100,000 share options. During the Reporting Period, 75% of the 310,000 share options exercised by the senior management, i.e. 232,500 share options, were subject to selling restriction.
- The first exercisable period of the second batch of the Share Option Incentive Scheme of the Company has been ended and totalling 1,289,375 share options were exercised during the Reporting Period.
- During the Reporting Period, 17,378,910 options were exercised during the second exercisable period for the First Tranche of Share Options (including the options exercised by the senior management of the Company Yu Ya, Jin Jianlong and Liu Xuebin), and 426,750 options were exercised during the second exercisable period for the Second Tranche of Share Options.
- As at 31 December 2015, the Company completed the issuance of an aggregate of 286,096,100 new H Shares to COSCO Container Industries Limited, Broad Ride Limited and Promotor Holdings Limited at the price of HK\$13.48 per H Share.

Chapter IX | Changes in Share Capital and Information on Shareholders

Approval for changes in share capital

Applicable Not applicable

The Company received the Approval of the Issue of Additional Overseas Listed Foreign Shares by China International Marine Containers (Group) Co., Ltd. (Zheng Jian Xu Ke [2015] No. 1749) (《關於核准中國國際海運集裝箱(集團)股份有限公司增發境外上市外資股的批覆》(證監許可[2015]1749號)) from China Securities Regulatory Commission on 22 July 2015, pursuant to which the Company was approved to issue up to 286,096,100 additional overseas listed foreign shares, all of which are ordinary shares having a par value of RMB1 each. On 22 December 2015, the Hong Kong Stock Exchange granted the listing of, and permission to deal in, the subscription shares on the Hong Kong Stock Exchange.

Transfer for changes in shares

Applicable Not applicable

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

Applicable Not applicable

Unit: RMB/share

	Item	Pre-movement in shares	Post-movement in shares
2015	Basic earnings per share	0.72	0.72
	Diluted earnings per share	0.71	0.71
	Net assets per share attributable to ordinary Shareholders of the Company	8.90	8.90

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

Applicable Not applicable

Chapter IX | Changes in Share Capital and Information on Shareholders

2. Changes in Shares with Selling Restrictions

√ Applicable □ Not applicable

Unit: Shares

Name of Shareholders	Number of shares with selling restrictions at the beginning of the period	Number of shares with selling restrictions expired in the period	Increase in number of shares with selling restrictions in the period	Number of shares with selling restrictions at the end of the period	Reasons for selling restrictions	Expiry date of selling restrictions
Mai Boliang ^(Note 1)	371,026	0	0	371,026	Shares are subject to selling restrictions in accordance with relevant provisions of stock exchanges and clearing companies	Nil
Liu Xuebin ^(Note 2)	0	0	75,000	75,000	Same as above	
Yu Ya ^(Note 2)	0	0	75,000	75,000	Same as above	
Jin Jianlong ^(Note 2)	75,000	0	82,500	157,500	Same as above	
Zeng Beihua ^(Note 2)	187,500	0	0	187,500	Same as above	
Total	633,526	0	232,500	866,026	-	-

Note 1: Mr. Mai Boliang totally holds 371,026 shares subject to selling restrictions attributable to executives. 25% of total shares held by him will be traded freely at the beginning of each year and the unsold part will be included into total shares held by the senior management to calculate the shares with selling restrictions for next year.

Note 2: In July 2015, the Company's senior management Mr. Yu Ya exercised 100,000 share options. In September 2015, Mr. Jin Jianlong exercised 110,000 share options. In December 2015, Mr. Liu Xuebin exercised 100,000 share options. During the Reporting Period, 75% of the 310,000 share options exercised by senior management, i.e. 232,500 share options, were subject to selling restrictions. 25% of total shares held by him will be traded freely at the beginning of each year and the unsold part will be included into total shares held by the senior management to calculate the shares with selling restrictions for next year.

Chapter IX | Changes in Share Capital and Information on Shareholders

II. ISSUE AND LISTING OF SECURITIES**1. Issue of Securities (excluding Preferred Shares) during the Reporting Period**√ Applicable Not applicable

Name of shares and their derivative securities	Issuance date	Issue price (or rate)	Number of shares issued (shares)	Listing date	Number of shares approved for listing and trading (shares)	Termination date of trading
Shares						
H Shares	31 December 2015	HK\$13.48	286,096,100	31 December 2015	286,096,100	-

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, an aggregate of 19,095,035 share options were exercised from the first batch and the second batch of the share options. Please refer to “1. A Share(s) Share Option Incentive Scheme of the Company” of “XV. Implementation of the Company’s Share Option Incentive Scheme, Employee Stock Ownership Scheme or Other Employee Incentive Measures” under “Chapter VIII Significant Events” in this Report for details.

On 31 December 2015, the Company completed to allot and issue an aggregate of 286,096,100 new H Shares to COSCO Container Industries Limited, Broad Ride Limited and Promotor Holdings Limited (collectively, the “Subscribers”) at a subscription price of HK\$13.48 per H Share. The subscription price of HK\$13.48 per Share was negotiated and determined on an arm’s length basis by the parties with reference to (i) a discount of approximately 11.90% against the average closing price per H Share of HK\$15.30 of the Company’s H Shares as quoted on the Hong Kong Stock Exchange for the last five trading days prior to and including 25 March 2015 (the trading day immediately preceding the date of the second amendment agreement); and (ii) a discount of approximately 15.96% against the closing price per H Share of HK\$16.04 of the Company’s H Shares as quoted on the Hong Kong Stock Exchange on 25 March 2015 (the trading day immediately preceding the date of the second amendment agreement). The proceeds from the issue of the additional H Shares were approximately HK\$3,857 million, which were used as the working capital of the Group. For relevant information, please refer to the announcements (Notice No.: [CIMC] 2013-056, [CIMC] 2014-020, [CIMC] 2014-023, [CIMC] 2014-025, [CIMC] 2015-011, [CIMC] 2015-018, [CIMC] 2015-038, [CIMC] 2015-041, [CIMC] 2015-045 and [CIMC] 2015-070) disclosed on China Securities Journal, Shanghai Securities News, Securities Times, Cninfo website (www.cninfo.com.cn) and the Company’s website (www.cimc.com) on 25 December 2013, 5 June 2014, 24 June 2014, 26 June 2014, 7 March 2015, 27 March 2015, 9 June 2015, 2 July 2015, 23 July 2015 and 4 January 2016 as well as the announcements released on the Hong Kong Stock Exchange website (www.hkexnews.hk).

3. Existing Employee Shares Applicable √ Not applicable

Chapter IX | Changes in Share Capital and Information on Shareholders

III. SHAREHOLDERS AND DE FACTO CONTROLLER

1. Number of Shareholders and Shareholdings of the Company

The total number of Shareholders of the Company as at 31 December 2015 was 76,542, including 76,531 holders of A Shares and 11 registered holders of H Shares. The total number of Shareholders of the Company as at 29 February 2016 was 82,863, including 82,853 holders of A Shares and 10 registered holders of H Shares.

Unit: Shares

Total ordinary Shareholders at the end of the Reporting Period	76,542	Total ordinary Shareholders as at 29 February 2016	82,863
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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 Nominees Limited ¹	Foreign legal person	48.03%	1,430,324,209	(96,100)	-	1,430,324,209	-	-
COSCO Container Industries Limited ²	Foreign legal person	16.70%	497,271,481	65,099,638	-	497,271,481	-	-
Promotor Holdings Limited ²	Foreign legal person	4.80%	143,048,050	143,048,050	-	143,048,050	-	-
China Securities Finance Corporation Limited	State-owned legal person	2.70%	80,414,719	80,414,719	-	80,414,719	-	-
Broad Ride Limited ²	Foreign legal person	2.62%	77,948,412	77,948,412	-	77,948,412	-	-
Central Huijin Asset Management Ltd.	State-owned legal person	1.28%	37,993,800	37,993,800	-	37,993,800	-	-
Taikang Life Insurance Company Limited – Bonus – Individual Bonus – 019L – FH002 Shenzhen	Domestic non-state-owned legal person	0.51%	15,289,015	(5,340,118)	-	15,289,015	-	-
ICBC Credit Suisse Fund – Agricultural Bank – ICBC Credit Suisse China Securities and Financial Assets Management Program	Domestic non-state-owned legal person	0.32%	9,566,600	9,566,600	-	9,566,600	-	-
Zhong Ou Fund – Agricultural Bank – Zhong Ou China Securities and Financial Assets Management Program	Domestic non-state-owned legal person	0.32%	9,566,600	9,566,600	-	9,566,600	-	-
Bosera Funds – Agricultural Bank – Bosera China Securities and Financial Assets Management Program	Domestic non-state-owned legal person	0.32%	9,566,600	9,566,600	-	9,566,600	-	-
Strategic investors or ordinary legal persons who became top ten Shareholders due to placing of new shares (if any)				Nil				
Explanation on the relationship or concerted action of the above mentioned Shareholders				Nil				

Chapter IX | 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 Nominees Limited	1,430,324,209	Overseas listed foreign shares	1,430,324,209
COSCO Container Industries Limited	432,171,843	RMB-denominated ordinary shares	432,171,843
COSCO Container Industries Limited	65,099,638	Overseas listed foreign shares	65,099,638
Promotor Holdings Limited	143,048,050	Overseas listed foreign shares	143,048,050
China Securities Finance Corporation Limited	80,414,719	RMB-denominated ordinary shares	80,414,719
Broad Ride Limited	77,948,412	Overseas listed foreign shares	77,948,412
Central Huijin Asset Management Ltd.	37,993,800	RMB-denominated ordinary shares	37,993,800
Taikang Life Insurance Company Limited – Bonus – Individual Bonus – 019L – FH002 Shenzhen	15,289,015	RMB-denominated ordinary shares	15,289,015
ICBC Credit Suisse Fund – Agricultural Bank -ICBC Credit Suisse China Securities and Financial Assets Management Program	9,566,600	RMB-denominated ordinary shares	9,566,600
Zhong Ou Fund – Agricultural Bank – Zhong Ou China Securities and Financial Assets Management Program	9,566,600	RMB-denominated ordinary shares	9,566,600
Bosera Funds – Agricultural Bank – Bosera China Securities and Financial Assets Management Program	9,566,600	RMB-denominated ordinary shares	9,566,600
Explanation on the relationship or concerted action between the top ten Shareholders of circulating shares without selling restrictions, or the top ten Shareholders of circulating shares without selling restrictions and the top ten Shareholders	Nil		
Explanation on the top ten ordinary Shareholders participating in financing securities business (if any)	Nil		

Note 1: As at 31 December 2015, HKSCC Nominees Limited was the registered holder of the 1,430,324,209 H shares, of which 679,927,917 H shares of the Company were held by various subsidiaries of China Merchants Group Limited, 180,742,543 H shares of the Company were jointly held by Long Honour Investments Limited and COSCO Container Industries Limited, the subsidiaries of COSCO and 137,255,434 H shares of the Company were held by Hony Capital Management Limited and its subsidiary Broad Ride Limited.

Note 2: As at 31 December 2015, the 65,099,638, 143,048,050 and 77,948,412 H shares, which were subscribed by COSCO Container Industries Limited, Promotor Holdings Limited and Broad Ride Limited, respectively, had not been deposited with HKSCC Nominees Limited.

The top ten ordinary Shareholders and the top ten ordinary Shareholders without selling restrictions of the Company haven't conducted any agreed repurchase transactions during the Reporting Period.

Chapter IX | Changes in Share Capital and Information on Shareholders

2. Controlling Shareholders of the Company

There is no controlling Shareholder in the Company. The status of our two largest shareholders, China Merchants (CIMC) Investment Limited and COSCO Container, remains unchanged during the Reporting Period.

3. De Facto Controller

There is no de facto controller in the Company.

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	Organisation code	Registered capital	Main business or management activities
China Merchants (CIMC) Investment Limited	Wang Zhixian, Zhang Rizhong, Lin Wuliu	17 January 1995	Not applicable	HK\$10,000	Investment, shareholding
COSCO Container Industries Limited	Feng Jinhua, Meng Qinghui, Su Xiaodong	26 April 2004	Not applicable	US\$50,000	Investment, shareholding

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

Chapter IX | 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

So far as the Directors are aware, as at 31 December 2015, the persons other than a Director, Supervisor or senior management of the Company who have interests or short positions in the shares or underlying shares of the Company which are discloseable under Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance of Hong Kong are as follows:

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 (%)
China Merchants Group Limited ¹	H Shares	679,927,917(L)	Interest of corporation controlled by the substantial Shareholder	39.61%	22.83%
COSCO ²	A Shares	432,171,843	Interest of corporation controlled by the substantial Shareholder	34.27%	14.51%
	H Shares	245,842,181(L)	Interest of corporation controlled by the substantial Shareholder	14.32%	8.26%
Hony Capital Management Limited ³	H Shares	215,203,846 (L)	Interest of corporation controlled by the substantial Shareholder	12.54%	7.23%
Promotor Holdings Limited ⁴	H Shares	143,048,050 (L)	Beneficial owner	8.33%	4.80%
Templeton Asset Management (Singapore) Ltd.	H Shares	99,522,967 (L)	Investment manager	5.80%	3.34%

(L) Long Position

Note 1: China Merchants Group Limited, through various subsidiaries, had an interest in the H Shares of the Company, and all the 679,927,917 H Shares (long position) were held in the capacity as interest of corporation controlled by the substantial Shareholder.

Note 2: COSCO, through various subsidiaries, had an interest in the A Shares and H Shares of the Company, and all the 432,171,843 A Shares (long position) and 245,842,181 H Shares (long position) were held in the capacity as interest of corporation controlled by the substantial Shareholder. On 11 December 2015, COSCO (Hong Kong) Group Limited ("COSCO HK"), a subsidiary of COSCO, and China Shipping Container Lines (Hong Kong) Co., Limited ("CSHK") entered into the equity purchase agreement in relation to the sale and purchase of the 100% equity interest in Long Honour Investments Limited (the "Long Honour S&P Agreement"), pursuant to which COSCO HK proposed to transfer the entire equity interest in Long Honour Investments Limited ("Long Honour") to CSHK. Long Honour is a wholly-owned subsidiary of COSCO HK, and directly holds 25,322,106 H Shares of the Company, and indirectly holds 432,171,843 A Shares and 220,520,075 H Shares of the Company through COSCO Container Industries Limited, representing a total shareholding of approximately 22.77% of the total issued share capital of the Company. As at 31 December 2015, the Long Honour S&P Agreement has not yet been completed.

Note 3: Hony Capital Management Limited, through various subsidiaries, had an interest in the H Shares of the Company, and all the 215,203,846 H Shares (long position) were held in the capacity as interest of corporation controlled by the substantial Shareholder.

Note 4: Promotor Holdings Limited had an interest in the H Shares of the Company, and all of the 143,048,050 H Shares were held in its capacity as the beneficial holder.

Save as disclosed above and so far as the Directors are aware, as at 31 December 2015, no other person (other than a Director, Supervisor or senior management of the Company) had any interests recorded in the register of interests in shares and short positions required to be kept by the Company pursuant to Section 336 of the Securities and Futures Ordinance of Hong Kong.

Chapter IX | Changes in Share Capital and Information on Shareholders

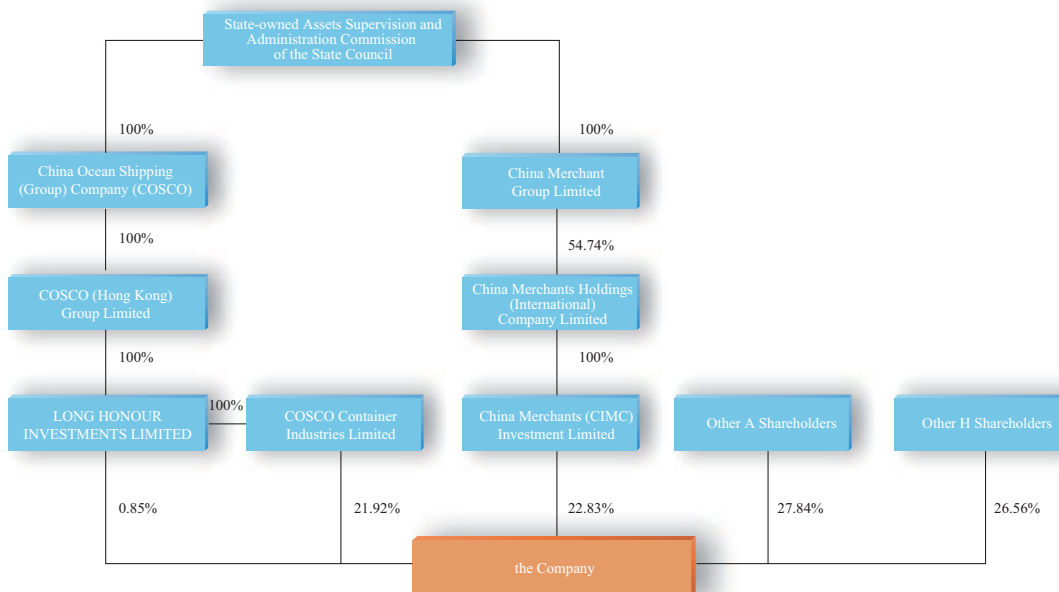
Substantial Shareholders

China Merchants Group Limited was incorporated on 14 October 1986 in the PRC. Its registered capital is RMB10,050 million and its chairman of the board of directors is Mr. LI Jianhong. China Merchants Group's core business sectors focus on the construction, operation and service in respect of transportation and related infrastructure (ports, toll roads, energy transportation and logistics), financial investment and management, property development and management.

COSCO was incorporated on 27 April 1961 in the PRC. Its registered capital is RMB4,103.367 million and its chairman of the board of directors is Mr. MA Zehua. COSCO is an international company with businesses covering marine transportation, logistics terminals, ship building and repairing.

Apart from China Merchants Group Limited and COSCO, no other legal person holds shares representing 10% or more of the total share capital of the Company (excluding HKSCC Nominees Limited).

V. Chart of Shareholding Structure between the Company and the Substantial Shareholders as at the end of the Reporting Period



VI. SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company as of the Latest Practicable Date and within the knowledge of the Directors of the Company, the Directors confirm that, the minimum public float of the Company has satisfied relevant provisions under the Hong Kong Listing Rules.

VII. RELEVANT INFORMATION ABOUT PREFERRED SHARES

There were no preferred shares in the Company during the Reporting Period.

Chapter X

Information on Directors, Supervisors,
Senior Management and Employees**I. BRIEF BIOGRAPHY OF THE DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT****1. Directors**

Information on the current Directors is set out below:

Name	Gender	Age	Position	Term	Number of shares held in the Company (shares)	
					As at 31 December 2014	As at 31 December 2015
Wang Hong	M	53	Chairman and non-executive Director	from 28 June 2013 to 2015 annual general meeting	Nil	Nil
Zhang Liang	M	61	Vice chairman and non-executive Director	from 7 March 2014 to 2015 annual general meeting	Nil	Nil
Mai Boliang	M	56	Executive Director, CEO and president	from 28 June 2013 to 2015 annual general meeting	494,702	494,702
Wu Shuxiong	M	61	Non-executive Director	from 27 September 2013 to 2015 annual general meeting	Nil	Nil
Li Kejun	M	64	Independent Non-executive Director	from 8 June 2015 to 2015 annual general meeting	Nil	Nil
Pan Chengwei	M	69	Independent non-executive Director	from 28 June 2013 to 2015 annual general meeting	Nil	Nil
Wong Kwai Huen, Albert	M	64	Independent non-executive Director	from 28 June 2013 to 2015 annual general meeting	Nil	Nil

Chapter X | Information on Directors, Supervisors, Senior Management and Employees

Brief biography of Directors:

Mr. WANG Hong (王宏), aged 53, has been the chairman of the Company since 28 December 2015 and a director of the Company since April 2007. Mr. WANG Hong has been the deputy general manager of China Merchants Group since March 2015, the general manager of the planning department of China Merchants Group from February 2011 to March 2015, and its chief economist from February 2012 to April 2015. Mr. WANG Hong has also been an executive director of China Merchants Holdings (International) Company Limited (Hong Kong stock code: 144) since May 2005, the chairman of the Supervisory Committee of China Merchants Energy Shipping Co., Ltd since April 2014, a director of China Merchants Shekou Industrial Zone Holdings Co., Ltd. (招商局蛇口工業區控股股份有限公司) from 26 June to 30 December 2015 and an independent director of Guangzhou Shipyard International Company Limited from June to November 2014. Mr. WANG Hong has been a director of China Merchants Energy Shipping Co., Ltd. (招商局能源運輸股份有限公司) (Shanghai stock code: 601872) from May 2010 to April 2014, and a director of China Merchants Property Development Co., Ltd. (Shenzhen stock code: 000024, also a company listed in Singapore) from April 2011 to July 2014. He worked as vice chairman of Shanghai International Port (Group) Co., Ltd. (Shanghai stock code: 600018) from June 2005 to July 2009, chairman of China Merchants Holdings (Pacific) Limited (a company listed in Singapore) from May 2005 to February 2009, deputy managing director of China Merchants Holdings (International) Company Limited (Hong Kong stock code: 144) from 2005 to 2009 and its chief operational officer from 2007 to 2009. Prior to that, Mr. WANG Hong worked as a general manager of performance appraisal department, human resources department and strategic research department of China Merchants Group. He also served as managing director of Hoi Tung Marine Machinery Suppliers Limited, general manager of financial department, shipping department and vice manager of China Communications Import & Export Corporation and the marine engineer of COSCO Guangzhou Ocean Shipping Company (中遠廣州遠洋運輸公司). Mr. WANG Hong graduated from turbine management major in Dalian Maritime University in 1982 and obtained a Master Degree of Business Administration from Graduate School of University of Science and Technology Beijing in 1991 and a Ph.D. degree in management from Gradual School of Chinese Academy of Social Sciences in July 1999.

Mr. Zhang Liang (張良), aged 61, has been the vice chairman of the Company since 7 March 2014. Mr. Zhang was the vice chairman and president of COSCO (Hong Kong) Group Limited from November 2011 to December 2015 and took up the post of the vice chairman of COSCO International Holdings Limited (HK stock code: 0517) on 24 February 2012. Mr. Zhang served as the executive director and general manager of COSCO Holdings Company Limited (HK stock code: 1919; Shanghai stock code: 601919) from December 2009 to November 2011. He successively held the posts of the general counsel, vice president, general manager, and executive director of China Ocean Shipping (Group) Company from November 2006 to November 2011. He served as the deputy general manager and then general manager of COSCO Bulk Carrier Co., Ltd. from December 1997 to December 2006. He served successively as the deputy director and director of the personnel department, assistant general manager, deputy general manager and quality & safety manager of Tianjin Ocean Shipping Company (now known as COSCO Bulk Carrier Co., Ltd.) from June 1991 to December 1997. Mr. Zhang begun his work in Tianjin Ocean Shipping Company in February 1977 and became a captain in June 1991. Mr. Zhang Liang held the positions of the chairman of COSCO Bulk Carrier Co., Ltd., Qingdao Ocean Shipping Co., Ltd., and Shenzhen Ocean Shipping Co., Ltd. and the chairman of the board of COSCO (H.K.) Shipping Co., Ltd. Mr. Zhang has over 30 years of experience in the shipping industry and has extensive experience in corporate operational management. He is also the vice president of Hong Kong Chinese Enterprises Association and vice chairman of Hong Kong Shipowners Association. Mr. Zhang graduated from Dalian Maritime University in 1977 with a bachelor degree in ship steering, Shanghai Maritime University with a master's degree in transportation planning and management in 1998, and Nankai University in 2003 with a doctor's degree in business administration. He is a senior engineer.

Chapter X | Information on Directors, Supervisors, Senior Management and Employees

Mr. Mai Boliang (麥伯良), aged 56, has been the president of the Company since 7 March 1994, CEO and president of the Company since 27 August 2015 and an executive Director of the Company since 8 March 1994. Mr. Mai joined the Company in 1982 and served as manager of Product Technical Department and the deputy manager. Mr. Mai graduated from mechanical engineering of South China University of Technology in July 1982 with a bachelor degree.

Mr. Wu Shuxiong (吳樹雄), aged 61, has been a non-executive Director of the Company since 27 September 2013. Mr. Wu was the Director and vice president of COSCO (Hong Kong) Group Limited from November 2011 to September 2015. Mr. Wu served as a supervisor of China COSCO Holdings Company Limited (HK stock code: 1919) from March 2005 to January 2012. Mr. Wu has also been a non-executive director of COSCO International Holdings Limited (HK stock code: 517) since April 2012. Mr. Wu has over 30 years of experience in the shipping industry and has extensive experience in corporate operational management and ship management. Mr. Wu had been the marine chief engineer, the section manager of safety and technology of ship management department, the deputy manager of ship management department of Shanghai Ocean Shipping Company Ltd., the general manager of Shanghai Far East Container Manufacturing Co., Ltd., the deputy general manager of Shanghai Ocean Shipping Company Ltd., the deputy general manager and director of COSCO Container Lines Co., Ltd. Mr. Wu graduated from Shanghai Jiao Tong University in 1989, majoring in transportation management and he is a senior engineer.

Mr. Li Kejun (李科浚), aged 64, is a senior engineer who is entitled to special government allowance and a registered safety engineer of the PRC. He was elected as an independent non-executive Director of the Company on 8 June 2015. Mr. Li graduated from the department of Marine Navigation of Dalian Maritime University in 1975; studied Law at McGill University, Canada from 1976 to 1978; was trained at Central Party School of the Communist Party of China from 1991 to 1992; studied world economy at the World Economy Research Institute of Central Party School of the Communist Party of China with a master degree from 1993 to 1995; and attended the 155th Advanced Business Administration Seminar at Harvard Business School during the second half of 1998. Mr. Li started his career in 1968. He worked as a teacher at the department of Marine Navigation of Dalian Maritime University since 1975. He then worked at the Ministry of Transportation of the PRC since 1978 and served as the chief surveyor, the deputy director, the director and the deputy director general of Register of Shipping of the PRC and an executive director and the vice president of China Merchants Group Limited. He was the director-general and the chairman (president) of the China Classification Society from 1999 to 2011. He was the chairman of Council for International Association of Classification Societies (IACS) from 2006 to 2007 and was the first chairman of The Association of Asian Classification Societies (ACS) from 2010 to 2011. He retired at the end of 2011.

Chapter X | Information on Directors, Supervisors, Senior Management and Employees

Mr. Pan Chengwei (潘承偉), aged 69, graduated from The Ministry of Transportation Management Cadre Institute with an associate bachelor degree and he is an accountant. He has been an independent non-executive Director of the Company since 28 June 2013. Mr. Pan started his career in 1965 and retired in November 2008. He had served as the head of finance department of China Ocean Shipping Company, the general manager of finance department of China Ocean Shipping (Group) Company, the general manager of finance department of COSCO (Hong Kong) Group Limited, the general manager of COSCO (H.K.) Property Development Limited, the general manager of COSCO (H.K.) Industry & Trade Holdings Ltd., the chief representative of Shenzhen representative office of COSCO (Hong Kong) Group Limited and the chief financial officer of Shenzhen Guangju Energy Co., Ltd., the general manager of COSCO (Cayman) Fortune Holding Co., Ltd. and its Hong Kong branch, and the compliance manager of the fuel & oil futures department of China Ocean Shipping (Group) Company. He has been an independent director of Shenzhen Nanshan Power Co., Ltd. and China Merchants Bank Co., Ltd. since May 2011 and July 2012, respectively.

Mr. Wong Kwai Huen, Albert (王桂燦), aged 64, BBS, JP, has been an independent non-executive Director of the Company since 28 June 2013. He holds a bachelor degree of art from Chinese University of Hong Kong, a bachelor of laws degree from University of London, a diploma in Chinese law from University of East Asia, Macau and graduated from the College of Law, U.K. He is a practicing solicitor in Hong Kong and UK, a China Appointed Attesting Officer, and he is qualified to practise law in Australia and Singapore. He once was an independent non-executive director of Datang International Power Generation Co., Ltd. and a foreign legal counsel for the Jiangsu Provincial Government, and now he is the independent non-executive Director of China PICC Asset Management Co., Ltd., Hua Hong Semiconductor Limited, and Vinda International Holdings Limited. He had once been the Managing Partner of China region for 15 years in two international large law firms in aggregate, and also worked for the Lands Department, Department of Justice and Legislative Council of the Hong Kong SAR for 10 years in total. He was appointed as committee member of Hong Kong International Airport Authority, Hospital Authority and Competition Commission successively. He is the honorary chairman of Hong Kong International Arbitration Centre, and is senior member of the Chartered Institute of Arbitrators in UK and Hong Kong Institute of Arbitrators, and was the former chairman of Hong Kong Institute of Arbitrators. He is also the vice-chairman of Hong Kong Inland Revenue Board of Review, chairman of Hong Kong Copyright Appeal Tribunal, chairman of the Professional Advisory Committee of Hong Kong Trade Development Council, former president and council member of the Law Society of Hong Kong, council member of the Hong Kong Institute of Directors and the voting member for the Best Director of the Year. He holds the posts of honorary lecturer or professor in Hong Kong University, the Chinese University of Hong Kong, City University and Shue Yan University, and is a director, president, chairman, treasurer, etc. in different public bodies and charity institutions.

Chapter X | Information on Directors, Supervisors,
Senior Management and Employees

2. Supervisors

Information on the current Supervisors is set out below:

Name	Gender	Age	Position	Term	Number of shares held in the Company (shares)	
					As at 31 December 2014	As at 31 December 2015
He Jiale	M	61	Chairman of the Supervisory Committee	from 27 September 2013 to 2015 annual general meeting	0	0
Wang Zhixian	M	50	Supervisor	from 8 June 2015 to 2015 annual general meeting	0	0
Xiong Bo	M	56	Supervisor	from 4 December 2013 to 2015 annual general meeting	0	0

Brief biography of the Supervisors:

Mr. He Jiale (何家樂), aged 61, has been the chairman of the Supervisory Committee of the Company since 27 September 2013. Mr. He was a director and chief financial officer of COSCO (Hong Kong) Group Limited from February 2012 to November 2015. Mr. He has also been a non-executive director of Chong Hing Bank Limited (HK stock code: 1111) from May 2012 to February 2014. He was an executive director of COSCO International Holdings Limited (HK stock code: 517) from November 2003 to January 2006 and was its executive director from April 2012 to December 2015. Mr. He was an executive director of COSCO Pacific Limited (HK stock code: 1199) from November 2003 to June 2005 and was its executive director from January 2009 to March 2013. Mr. He has over 30 years of work experience in shipping industry and has extensive experience in corporate finance and financial management. He served as deputy director of finance division of Shanghai Ocean Shipping Company Ltd., the deputy general manager of Finance Department of the COSCO Container Lines, deputy general manager of finance and capital department of China Ocean Shipping (Group) Company, chief accountant of COSCO Container Lines Co., Ltd., financial controller of COSCO (Hong Kong) Group Limited and chief financial officer of China COSCO Holdings Company Limited (HK stock code: 1919). Mr. He graduated from the postgraduate studies of management science and engineering from Shanghai University and he is a senior accountant.

Mr. Wang Zhixian (王志賢), aged 50, graduated from Tianjin University and Shanghai Jiaotong University with a master degree of Science, and subsequently obtained a master degree of Business Administration from Guanghua School of Management of Peking University. Mr. Wang has extensive management experience in port and shipping industry. Mr. Wang has been a Supervisor of the Company since 8 June 2015. After joining China Merchants Holdings (International) Company Limited in July 1992, he has successively served as the deputy general manager of industrial management department and the general manager of business planning department in the company. He also acted as the deputy general manager of Shenzhen Mawan Port Services Co., Ltd, the chairman and CEO of Ningbo Daxie China Merchants International Terminal Co., Ltd and the managing director of China Merchants Port Services (Shenzhen) Co., Ltd. and Shenzhen Haixing Harbour Development Co., Ltd, respectively. Mr. Wang is the current executive director and deputy general manager of China Merchants Holdings (International) Company Limited.

Mr. Xiong Bo (熊波), aged 56, joined the Company in 1991. He currently served as the tax manager of Finance Management Department of the Company. Mr. Xiong has been the chairman of the Labor Union of the Company since 1996. He graduated from Heilongjiang Radio and TV University in 1982 with major in electronics and received a bachelor's degree.

Chapter X | Information on Directors, Supervisors,
Senior Management and Employees

3. Senior Management

Information on current members of the Senior Management is set out below:

Name	Gender	Age	Position	Term	Number of shares held in the Company (shares)	
					As at 31 December 2014	As at 31 December 2015
Mai Boliang	M	56	CEO and President	three years from 21 March 2013	494,702	494,702
Liu Xuebin	M	56	Vice president	three years from 21 March 2013	2,400	102,400
Wu Fapei	M	57	Vice president	three years from 21 March 2013	0	0
Li Yinhui	M	48	Vice president	three years from 21 March 2013	0	0
Yu Ya	M	60	Vice president	24 March 2015 to 31 March 2018	0	100,000
Zhang Baoqing	M	59	Vice president	three years from 24 March 2015	0	0
Gao Xiang	M	50	Vice president	three years from 1 April 2015	0	0
Yu Yuqun	M	50	Secretary to the Board	three years from 21 March 2013	0	0
Jin Jianlong	M	62	General Manager of Financial Department	three years from 21 March 2013	100,000	210,000
Zeng Beihua	F	61	General Manager of Capital Management Department	three years from 21 March 2013	250,000	187,500

Chapter X | Information on Directors, Supervisors, Senior Management and Employees

Brief biography of the Senior Management:

Mr. Mai Boliang (麥伯良), is an executive Director, CEO and president of the Company. For details of Mr. Mai Boliang, please refer to "1. Directors" of "Brief Biography of the Directors, Supervisors and Senior Management" in this Chapter.

Mr. Liu Xuebin (劉學斌), aged 56, has been a vice president of the Company since March 2004. He joined the Group in 1982, and once worked in the Company's Procurement Department from 1982 to 1990, deputy general manager of Nantong Shunda Container Co., Ltd. (南通順達集裝箱有限公司) from 1990 to 1994, deputy general manager of the Container Branch of the Company from 1994 to 1995, and general manager of Xinhui CIMC Container Co., Ltd. (新會中集集裝箱有限公司) from 1995 to 1997. From 1997 to 2013, he was appointed as general manager of Shenzhen Southern CIMC Containers Manufacture Co., Ltd. (深圳南方中集集裝箱製造有限公司) and in December 1998, he held the positions of the assistant to the president of the Company and chairman of Xinhui CIMC Container Co., Ltd. (新會中集集裝箱有限公司). Since January 2011, he was appointed as deputy general manager of CIMC Containers Holding Co., Ltd. (中集集裝箱控股有限公司). Mr. Liu graduated from Shenzhen University with a bachelor degree in business administration in August 1990.

Mr. Wu Fapei (吳發沛), aged 57, has been a vice president of the Company since March 2004. He joined the Company in 1996, was appointed as the manager of Information Management Department in December 1996, then the assistant to the president in December 1998 and further the secretary of the Board from December 1999 to March 2004. Before that, he used to be a teacher and associate professor of School of Business Administration in South China University of Technology and the deputy general manager of Zhaoqing Nanhua Bicycle Ronghui Co., Ltd. in Guangdong. Mr. Wu graduated from South China University of Technology with a bachelor degree in mechanical manufacturing in July 1982 and a master degree in engineering in July 1989.

Mr. Li Yinhui (李胤輝), aged 48, has been a vice president of the Company since March 2004. He has been the chairman or director of a number of subsidiaries of the Company since 2004. He worked with us as part-time vice president from October 2002 to October 2003. Mr. Li worked in Ministry of Commerce from March 2003. Between May 1993 and March 2003, he worked in State Commission of Foreign Trade and Economic Cooperation. Prior to that, Mr. Li worked in Central Committee of Chinese Communist Youth League. He received his bachelor degree in history from Jilin University in July 1991, an MBA degree from School of Business in Nanjing University in December 1997 and Ph.D. in economics from Jilin University in June 2001.

Chapter X | Information on Directors, Supervisors, Senior Management and Employees

Mr. Yu Ya (于亞), aged 60, has been a vice president of the Company since March 2010. Mr. Yu has been working with the Company since August 2007, serving as vice secretary of the Party Committee and general manager of Public affairs department. He has also been the chairman or a director of a number of subsidiaries of the Company since October 2009. He once worked for central ministries as deputy director, for China Light Industry Corporation as vice president and for Capgemini as executive director and executive vice president in Greater China Region. Mr. Yu graduated from the Mechanical Engineering Department of Tianjin Light Industry Vocational Technical College in July 1984 and obtained a MBA degree from Nanjing University in June 1997.

Mr. Zhang Baoqing (張寶清), aged 59, was appointed as a vice president of the Company in March 2012. Since June 1995, Mr. Zhang has been the deputy general manager and then the general manager of Xinhui CIMC Containers Co., Ltd. (新會中集集裝箱有限公司), and since January 2003, he was the general manager of Guangdong Xinhui CIMC Special Transportation Equipment Co., Ltd. (廣東新會中集特種運輸設備有限公司). Mr. Zhang once acted as the assistant to the president of the Group from March 2004 to March 2012, the general manager of Xinhui CIMC Containers Wood Flooring Co., Ltd. from March 2004 to March 2012, the general manager of CIMC Wood Development Co., Ltd from February 2009 to March 2013 and the deputy general manager of CIMC Container Holding Co., Ltd. (中集集團集裝箱控股有限公司) under the Group since June 2011. Before that, he once worked as assistant to the general manager and manager of technical department of Nantong Shunda Containers Co., Ltd. (南通順達集裝箱有限公司). Mr. Zhang is a senior engineer. He graduated from South China University of Technology with a bachelor degree in mechanical design and automation science in July 1982.

Mr. Gao Xiang (高翔), aged 50, has been a vice president of the Company since 1 April 2015. Mr. Gao graduated from Tianjin University majoring in marine and shipbuilding engineering. He is also a senior engineer. Mr. Gao acted as the general manager of Tianjin CIMC North Ocean Container Co., Ltd., Tianjin CIMC Containers Co., Ltd., Tianjin CIMC Logistics Equipments Co., Ltd., Tianjin CIMC Vehicle Logistics Equipments Co., Ltd. and Tianjin CIMC Special Vehicles Co., Ltd., respectively, from 1999 to 2008. He worked as the assistant to the president of CIMC from 2004 to 2008. He served as the executive director and general manager of CIMC Enric Holdings Limited in 2009 and then the chairman of this company since 1 April 2015. Mr. Gao is also the chairman of certain subsidiaries of CIMC Enric Holdings Limited.

Chapter X | Information on Directors, Supervisors, Senior Management and Employees

Mr. Yu Yuqun (于玉群), aged 50, has been the secretary to the Board of the Company since March 2004 and has been the Company Secretary since 25 October 2012. He joined the Company in 1992 and subsequently worked as deputy manager, manager of Financial Affairs Department and manager of the office of secretary to the Board, responsible for investors relationship and fund management. Mr. Yu became the representative for securities affairs of the Company since its listing on the Shenzhen Stock Exchange in 1994. Mr. Yu has been appointed as an executive director of CIMC Enric (Hong Kong stock code: 3899) since September 2007 and a director of several subsidiaries of the Company since 2004. He has been appointed as a non-executive director of TSC Group Holdings Limited (Hong Kong stock code: 206) and Pteris respectively since March 2011 and 2012. Mr. Yu is the member of the third session of the Appeal and Review Committee of the Shenzhen Stock Exchange and the member of the first session of Merger and Acquisition Finance Committee of China Association for Public Companies. From July 1987 to October 1989, he worked in the State Price Control Bureau. Mr. Yu graduated from Beijing University and obtained a bachelor's degree in economics in July 1987 and a master's degree in economics in July 1992.

Mr. Jin Jianlong (金建隆), aged 62, has been the general manager of Financial Department since October 2001. Mr. Jin has been an executive director of CIMC Enric (Hong Kong stock code: 3899) since September 2007 and a number of subsidiaries of the Company since 2001. He joined the Group in 1989, appointed as the manager of the Financial Management Department of Shenzhen Southern CIMC Containers Manufacture Co., Ltd. (深圳南方中集集裝箱製造有限公司) and then of the Financial Management Department of the Company. From August 1975 to April 1989, he worked in Hangzhou Iron & Steel Works as manager of its financial department. He graduated from Maanshan Institute of Iron and Steel Technology in July 1985, majoring in accounting. He is an accountant.

Ms. Zeng Beihua (曾北華), aged 61, has been the general manager of Capital Management Department of the Company since December 2009. She has been the executive director of CIMC Financial Leasing and CIMC Finance since 2007 and 2010, respectively. Ms. Zeng joined the Company in 1989, and once took the positions of the general manager of Financial Management Department from April 1989 to 2001, the general manager of CIMC Vehicle (Group) Co., Ltd. from 2002 to 2009, the general manager of CIMC Financial Leasing Co., Ltd. from August 2007 to August 2012, and general manager of CIMC Finance Co., Ltd. from February 2010 to August 2012. Ms. Zeng graduated from Wuhan University, majoring in accounting in July 1989, studied accounting at Shanghai University of Finance and Economics from 1996 to 1997. She studied in the diploma in management programme in China Europe International Business School and graduated in 2002.

Chapter X | Information on Directors, Supervisors,
Senior Management and Employees**II. CHANGES ON SHAREHOLDINGS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT**

Name	Position	Job state	Gender	Age	Start of term of office	End of term of office	Number of shares held at the beginning of the Reporting Period (shares)	Number of added shares held for the current period (shares)	Number of reduced shares held for the current period (shares)	Number of shares held at the end of the Reporting Period (shares)
Liu Xuebin	Vice president	Current	M	56	21 March 2013	until the date of annual Board meeting for 2016	2,400	100,000	0	102,400
Yu Ya	Vice president	Current	M	60	21 March 2013	until the date of annual Board meeting for 2016	0	100,000	0	100,000
Jin Jianlong	General Manager of Financial Department	Current	M	62	21 March 2013	until the date of annual Board meeting for 2016	100,000	110,000	0	210,000
Zeng Beihua	General Manager of Capital Management Department	Current	F	61	21 March 2013	until the date of annual Board meeting for 2016	250,000	0	62,500	187,500
Total							352,400	310,000	62,500	599,900

Chapter X | Information on Directors, Supervisors,
Senior Management and Employees**III. INTERESTS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES IN THE SHARE CAPITAL OF THE COMPANY AND ASSOCIATED CORPORATION THEREOF**

As at 31 December 2015, the interest and short positions held by Directors, Supervisors and chief executives of the Company in any shares, underlying shares or debentures of the Company and/or any associated corporation within the meaning of Part XV of the Securities and Futures Ordinance of Hong Kong required to be recorded in the register mentioned under Section 352 of the Securities and Futures Ordinance of Hong Kong or as otherwise notifiable to the Company and the Hong Kong Stock Exchange by the Directors and Supervisors pursuant to the Model Code are as follows:

1. Interest in the Shares of the Company

Name	Nature of interest	Number of shares (shares)	Nature of the shares
Mai Boliang	Beneficial interest	494,702	A Shares

2. Interest in the Underlying Shares of the Company

As at 31 December 2015, none of any Director, Supervisor and chief executive of the Company held the interest in the underlying shares of the Company.

3. Interest in the Associated Corporation of the Company

Name	Name of associated corporation	Nature of interest	Number of Shares (shares)
Mai Boliang	CIMC Vehicle (Group) Co., Limited	Beneficiary of a trust	10,350,000
Mai Boliang	CIMC Enric	Beneficial interest	3,260,000

Chapter X | Information on Directors, Supervisors,
Senior Management and Employees**IV. CHANGES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY DURING THE REPORTING PERIOD**

Name	Position	Type	Date	Reasons
Wong Sin Yue, Cynthia	Supervisor	Retirement	8 June 2015	Job changes
Wang Zhixian	Supervisor	Election	8 June 2015	Election
Li Kejun	Independent non-executive Director	Election	8 June 2015	Election
Li Jianhong	Chairman	Retirement	24 December 2015	Job arrangement
Wang Hong	Chairman	Election	28 December 2015	Appointment
Zhao Qingsheng	Vice president	Retirement upon expiry of the term	24 March 2015	Retirement upon expiry of the term
Gao Xiang	Vice president	Election	1 April 2015	Appointment

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

For the professional background and major working experience of current Directors, Supervisors and Senior Management and their main responsibility in the Company, please refer to "I. Brief Biography of the Directors, Supervisors and Senior Management" in this Chapter.

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
Wang Hong	China Merchants Group Limited	General manager of Corporate Planning Department	1 February 2011	7 March 2015	Yes
		Chief economist	29 February 2012	15 April 2015	Yes
	China Merchants Holdings (International) Company Limited	Deputy general manager	March 2015	–	Yes
		Director	11 May 2005	–	No
Zhang Liang	COSCO (Hong Kong) Group Co., Ltd.	Vice chairman and president	November 2011	December 2015	Yes
Wu Shuxiong	COSCO (Hong Kong) Group Co., Ltd.	Director and vice president	28 November 2011	September 2015	Yes
He Jiale	COSCO (Hong Kong) Group Co., Ltd.	Director and chief financial officer	15 February 2012	November 2015	Yes
Wang Zhixian	China Merchants Holdings (International) Company Limited	Executive Director and deputy general manager	July 1992	–	Yes

Chapter X | Information on Directors, Supervisors,
Senior Management and Employees

2. Job Status in Other Companies

Name	Name of other company	Position in other company	Start of term of office	End of term of office	With compensation allowance from other company or not
Wang Hong	China Merchants Energy Shipping Co., Ltd	Chairman of the Supervisory Committee	15 April 2014	–	No
	China Merchants Shekou Industrial Zone Holdings Co., Ltd. (招商局蛇口工業區控股股份有限公司)	Director	26 June 2015	30 December 2015	No
Zhang Liang	COSCO International Holdings Limited	Vice Chairman	24 February 2012	–	No
Wu Shuxiong	COSCO International Holdings Limited	Non-executive Director	10 April 2012	–	No
Li Kejun	Weichai Heavy Machinery Co., Ltd	Independent Director	22 May 2013	4 June 2015	No
Pan Chengwei	China Merchants Bank Co., Ltd.	Independent Director	9 July 2012	–	Yes
	Shenzhen Nanshan Power Co., Ltd.	Independent Director	25 May 2011	–	Yes
Wong Kwai Huen, Albert	PICC Asset Management Co., Ltd.	Independent non-executive Director	18 February 2013	–	Yes
He Jiale	COSCO International Holdings Limited	Executive Director	10 April 2012	17 December 2015	No

Penalties on the current and resigned Directors, Supervisors and Senior Management of the Company during the Reporting Period by the securities regulatory authority for the recent three years

Applicable Not applicable

Chapter X | Information on Directors, Supervisors, Senior Management and Employees

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

In accordance with the provisions of the Articles of Association, remuneration of the Company's Directors and Supervisors shall be determined by the General Meeting, while remuneration of the Senior Management shall be determined by the Board. During the Reporting Period, the Directors (apart from independent non-executive Directors) and Supervisors of the Company shall not receive remuneration due to holding the relevant positions of directors and supervisors. Senior Management shall receive remuneration from the Company or its subsidiaries. The Company has established complete salary system and remuneration regulations, and the Company adopts annual salary system. The Board of the Company shall pay remuneration to the Senior Management according to the "Regulations for Annual Performance Assessment and Incentive for the Personnel Employed by the CIMC Board".

Upon consideration and approval of the Board and the General Meeting, the independent non-executive Director was awarded with RMB200,000 per year as independent directors allowance during the Reporting Period. In addition, independent Directors did not receive other remuneration during the Reporting Period. The staff representative Supervisor Mr. Xiong Bo received remuneration from the Company due to the other position he held at the Company.

The details of remuneration (pre-tax) of current Directors, Supervisors and Senior Management are described in the following remuneration table for Directors, Supervisors and Senior Management.

Chapter X | Information on Directors, Supervisors,
Senior Management and Employees2. Remuneration of Directors, Supervisors and Senior Management during
the Reporting Period

Unit: RMB thousand

Name	Position	Gender	Age	Status	Total remuneration before tax from the Company	Remuneration received from related parties of the Company
Li Jianhong	Chairman and non-executive Director	M	59	Retirement	–	–
Wang Hong	Chairman and non-executive Director	M	53	Current	–	–
Zhang Liang	Vice chairman and non-executive Director	M	61	Current	–	–
Mai Boliang	Executive Director, CEO and president	M	56	Current	6,373	–
Wu Shuxiong	Non-executive Director	M	61	Current	–	–
Li Kejun	Independent non-executive Director	M	64	Current	200	–
Pan Chengwei	Independent non-executive Director	M	69	Current	200	–
Wong Kwai Huen, Albert	Independent non-executive Director	M	64	Current	200	–
He Jiale	Chairman of the Supervisory Committee	M	61	Current	–	–
Wong Sin Yue, Cynthia	Supervisor	F	63	Retirement	–	–
Wang Zhixian	Supervisor	M	50	Current	–	–
Xiong Bo	Supervisor	M	56	Current	316	–
Liu Xuebin	Vice president	M	56	Current	2,983	–
Zhao Qingsheng	Vice president	M	63	Retirement	3,720	–
Wu Fapei	Vice president	M	57	Current	3,265	–
Li Yinhui	Vice president	M	48	Current	2,623	–
Yu Ya	Vice president	M	60	Current	4,199	–
Zhang Baoqing	Vice president	M	59	Current	3,201	–
Gao Xiang	Vice president	M	50	Current	2,853	–
Yu Yuqun	Secretary to the Board	M	50	Current	3,526	–
Jin Jianlong	General Manager of Financial Department	M	62	Current	3,064	–
Zeng Beihua	General Manager of Capital Management Department	F	61	Current	3,675	–
Total	–	–	–	–	40,398	–

Note (1) As the executive Director of the Company, Mr. Mai Boliang has received the remuneration from the Company due to his position of CEO and president in the Company.

Note (2) Mr. Xiong Bo has received remuneration from the Company due to his position held in the Company other than the Supervisor.

The top five people who received the highest remuneration from the Group in 2015 have been listed in the above table.

Chapter X | Information on Directors, Supervisors,
Senior Management and Employees**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)
Mai Boliang	CEO and president	2,850,000	0	10.77	21.00	2,850,000	0	-	2,850,000
Liu Xuebin	Vice president	1,125,000	100,000	10.77	21.00	1,125,000	0	-	1,025,000
Wu Fapei	Vice president	750,000	0	10.77	21.00	750,000	0	-	750,000
Li Yinhui	Vice president	750,000	0	10.77	21.00	750,000	0	-	750,000
Yu Ya	Vice president	750,000	100,000	10.77	21.00	750,000	0	-	650,000
Zhang Baoqing	Vice president	750,000	0	10.77	21.00	750,000	0	-	750,000
Gao Xiang	Vice president	375,000	0	10.77	21.00	375,000	0	-	375,000
Yu Yuqun	Secretary to the Board	750,000	0	10.77	21.00	750,000	0	-	750,000
Jin Jianlong	General Manager of Financial Department	750,000	110,000	10.77	21.00	750,000	0	-	640,000
Zeng Beihua	General Manager of Capital Management Department	750,000	0	10.77	21.00	750,000	0	-	750,000
Total	-	9,600,000	310,000	-	-	9,600,000	0	-	9,290,000

4. Remuneration Policy of the Senior Management

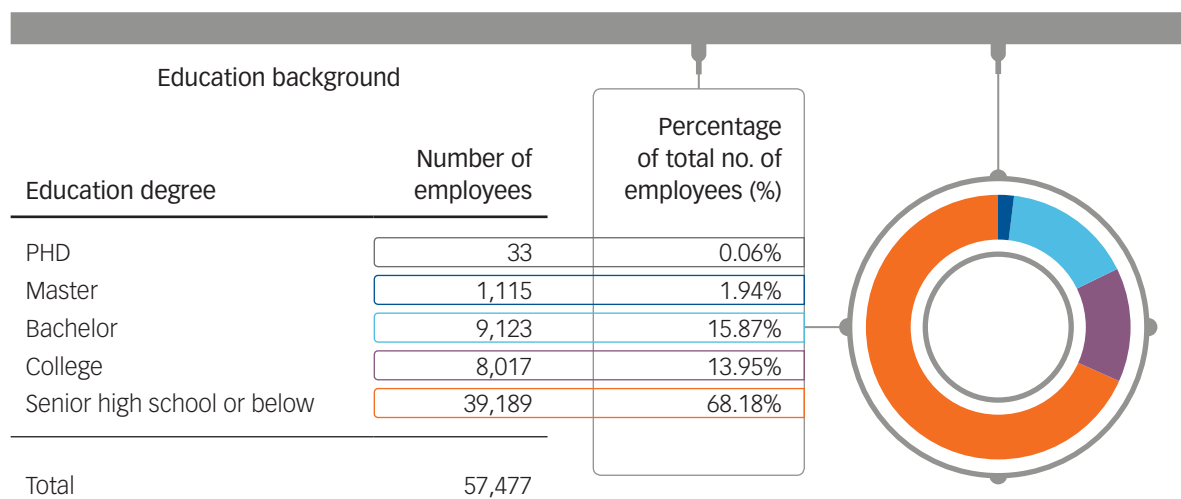
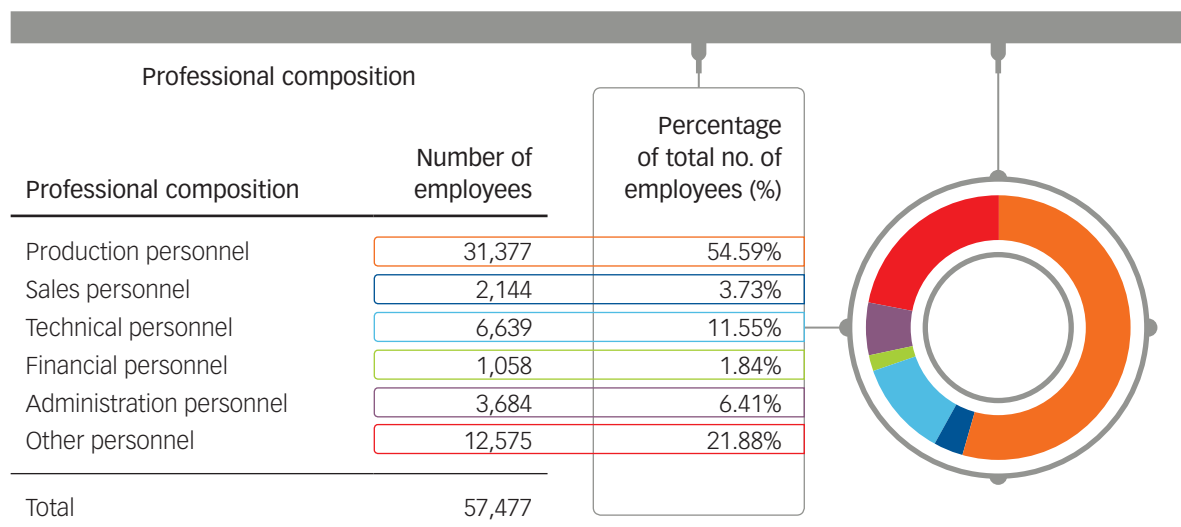
The remuneration policy of the Senior Management of the Company shall be subject to the “Regulations for Annual Performance Assessment and Incentive for the Personnel Employed by the CIMC Board”. The Company’s senior management remuneration policy links financial interests of the senior management with the Group’s operating results and the performance of its shares in the market.

Chapter X | Information on Directors, Supervisors,
Senior Management and Employees

VII. EMPLOYEES OF THE COMPANY

1. Number of Employees, Professional Composition and Education Background

Number of in-service employees of the parent company	239
Number of in-service employees of principal subsidiaries	57,238
Total number of in-service employees	57,477
Total number of employees who received salaries during the Reporting Period	57,477
Number of retired employees whose expense should be assumed by the parent company and principal subsidiaries	286



Chapter X | Information on Directors, Supervisors, Senior Management and Employees

2. Remuneration Policies

For details of the Company's remuneration policies, please refer to "Employees and Remuneration Policies" of "Chapter VI Management Discussion and Analysis Prepared in Accordance with the Hong Kong Securities Rules" in this Report.

3. Training Programme

The Group sticks to its core cultural philosophy of "people-oriented and mutual business" and constantly develops talents for the industry through building a talent training system with CIMC characteristics. The multi-level and composite talent training system of the Group includes new employees training, general skills training, professional training, leadership training programme and international talent training programme.

4. Labour Outsourcing

Applicable Not applicable

Chapter XI

Corporate Governance and
Corporate Governance Report

The Company has prepared the “Corporate Governance Work Report” and the “Corporate Governance Report” in accordance with different requirements in form and content of PRC securities regulatory authorities and the Hong Kong Listing Rules, respectively. To avoid undue repetitions and to keep the presentation lucid, a cross-referencing approach has been adopted.

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

I. SITUATION OF CORPORATE GOVERNANCE

During the Reporting Period, the Company constantly enhanced the Company’s corporate governance and improved its standardised operation in strict compliance with the requirements of laws and regulations including the PRC Company Law, Corporate Governance Guidelines for Listed Companies, Guidance Opinion on Establishing a System of Independent Directors in Listed Companies, Rules of General Meetings of Listed Companies and Guidelines on the Articles of Association of Listed Companies. The Company has established a corporate governance structure which is in line with the requirements of management of modern enterprise and ensures the full and balanced performance of all functions. In accordance with a series of rules and regulations of the Company such as the Rules of Procedure for Shareholders’ Meeting, the Rules of Procedure for Board, the Rules of Procedure for Supervisory Committee and the Working rules for the President, the Company implemented effective corporate governance by giving full play to the role of Board committees. The functions and responsibility of the general meeting, the Board and the Supervisory Committee were thus fully performed and balanced, which safeguarded the interests of the Shareholders and the Company effectively and ensured the sustainable and healthy development of the Company.

In accordance with standards for the corporate governance of listed companies by CSRC, CSRC Shenzhen Bureau, Shenzhen Stock Exchange and the Hong Kong Stock Exchange, the Company positively and timely completed corporate governance rectification, special inspection and system establishment as required by relevant regulatory authorities. During the year, the Company was granted the title of “Top 100 Listed Companies Most Respected by Investors for 2014” jointly appraised by China Association for Public Companies, China Securities Investor Protection Fund Corporation Limited and Securities Association of China for its efforts on actively promoting the self-regulation of listed companies in 2015. The secretary of the Board of the Company was commended once again by CSRC Shenzhen Bureau.

In 2015, the Company continued to place emphasis on and was committed to improving investor relations management. According to the requirements of the relevant laws and regulations such as the Company Law, the Securities Law, the Articles of Association and the Manual for Investor Relations Management of Listed Companies, the Company followed the principles of “full disclosure of information, compliance disclosure of information, equal opportunity for all investors, honesty and integrity, high efficiency and low consumption, and interactive communication” during the investor relations management. In the interest of minority investors, the Company adopted effective and convenient measures in daily work and settlement of major issues to strengthen all-around and effective communication with Shareholders and investors. Selective disclosure was avoided to ensure the interests of minority Shareholders in respect of obtaining corporate information

Chapter XI | Corporate Governance and Corporate Governance Report

in a fair and just manner. It earnestly conducted daily reception, patiently answered inquiries of investors through telephones, participated in annual investment conferences and thematic meetings held by domestic and international securities brokers and conducted "one to one" or "one to many" communications with institutional investors. In respect of the newsworthy events or emergencies concerned by Shareholders and investors, the Company replied the online inquiries on the "Interaction Easy" and "Interactive Platform for Investor Relations" of the Shenzhen Stock Exchange to achieve timely, patient and objective communications with medium and small investors. In 2015, the Company received visits, researches and plant visits of various institutional investors from fund and investment companies and securities companies and individual investors for several times. The Company arranged the institutional investors such as securities brokers and funds to conduct field researches in the Company for several times, visiting the business bases or projects such as offshore engineering equipment, e-commerce, CIMC Real Estate and airport ground equipment, enabling them to deeply understand the development of strategically emerging industries and new business expansion of the Company. In July, the Company held its Fifth CIMC Science and Technology Festival and "CIMC Manufacture 2025" forum, where institutional analysts and over 10 minority Shareholders were present. Through display of the technological research results and development objectives of various business segments, the Company enabled its investors and Shareholders to further recognise its investment value, enhanced the confidence of its investors, safeguarded the rights to know of medium and small investors, strengthened the sense of belonging of Shareholders in the Company and created good Shareholders' culture. In March and August, the Company held Disclosure of Results of 2014 and Disclosure of Interim Results of 2015 in Hong Kong, and provided live broadcast of the meetings to domestic investors through the live webcasting platform.

Any difference between Corporate Governance and the standards of the normative documents regarding corporate governance of listed companies issued by CSRC

Yes No

Formulation and implementation of registration and management system of insiders

The Company has established an Insider Registration and Management System according to various securities regulatory requirements and has revised the above system in 2011. The above system, which specifies the scope of inside information and insiders, the approval, registration and filing system of inside information and confidentiality obligation, has become an important part of the Company's internal control system. In respect of implementation of inside information and insider management system, the Company carried out an effective supervision on internal circulation and disclosure of inside information in accordance with the various systems and requirements on a strict basis. Self-examination result shows that no insiders has used any inside information to trade the Company's shares before disclosure of major sensitive information affecting the Company's share price in 2015.

Chapter XI | Corporate Governance and Corporate Governance Report

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

The direct substantial Shareholders of the Company are China Merchants (CIMC) Investment Limited and COSCO Container Industries Limited. The Company is independent from its substantial Shareholders in respect of our business, personnel, asset, organisational structure and finance, and they independently proceed with audit and assume the responsibilities and risks. The Company has an independent and complete business system and has the capacity for independent operation in the market.

(i) Personnel: The labour, personnel and salary management institutions of the Company are independent. The system is complete. The Company and the substantial Shareholders do not share staff or senior management. All of the Company's staff and senior management are paid by the Company. The financial personnel of the Company have no part-time job in affiliates. (ii) Assets: The property rights between the Company and the substantial Shareholders are clear, with complete procedures. The property rights are managed by the Company independently. The substantial Shareholders do not occupy or govern the assets of the Company nor interfere in its operation management of the assets. (iii) Finance: The finance department, financial accounting system, financial management system and bank account of the Company are independent and it pays taxes independently. (iv) Organisational structure: The Board, the Supervisory Committee and other internal institutions of the Company are complete and operate independently. The substantial Shareholders perform their rights according to the law and assume the corresponding obligations without directly or indirectly interfering with the business activities of the Company by overstepping the general meeting. (v) Business: The production system, purchase system, auxiliary production system and sales system of the Company are independent. The Company owns the intangible assets such as industrial property, trademark, non-patent technology independently. There is no incident that the products produced and operated by the Company are identical to those produced and operated by the substantial Shareholders and their subsidiaries. The Company does not compete with the substantial Shareholders and their subsidiaries, directly or indirectly, in terms of business. During the Reporting Period, the Company has not provided undisclosed information to the substantial Shareholders and the actual controllers, and there was no other non-compliance governance problems.

III. HORIZONTAL COMPETITIONS

Applicable Not applicable

The Company and a subsidiary of the controlling shareholder of the biggest Shareholder, China Merchants Group, have horizontal competition. Marine engineering business, one of the businesses the Group engaged in, is the same or similar to that of China Merchants Group, the controlling shareholder of our biggest Shareholder, which constitutes horizontal competition relationship to some extent. The main reason is that the subsidiary of the controlling shareholder of our biggest Shareholder, China Merchants Group, engaged and developed marine engineering equipment business earlier than the Company. The Company entered into the marine engineering equipment market via purchasing Yantai Raffles, and took marine engineering equipment business as one of its core business. However, the China Merchants Group is not a controlling Shareholder of the Company. The Company will communicate and coordinate with the substantial Shareholders to avoid direct competition among the positioning of business development, leading products and target markets, etc.

Chapter XI | Corporate Governance and Corporate Governance Report

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

1. Annual General Meeting Convened during the Reporting Period

Session of meeting	Type of meeting	Proportion of investors' participation (note)	Date	Disclosure date	Disclosure index
2015 first extraordinary general meeting of China International Marine Containers (Group) Co., Ltd.	On-site meeting	0.75%	3 March 2015	3 March 2015	www.cninfo.com.cn www.hkexnews.hk
2014 annual general meeting of China International Marine Containers (Group) Co., Ltd.	On-site meeting	0.14%	8 June 2015	8 June 2015	www.cninfo.com.cn www.hkexnews.hk

Note: As the H Shares of the Company are mainly registered under HKSCC Nominees Limited, and as a result, only the proportion of the number of A Shareholders who attended the meetings in the total number of A Shareholders is listed.

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

Applicable Not applicable

V. THE DUTY PERFORMANCE OF THE INDEPENDENT DIRECTORS DURING THE REPORTING PERIOD

In 2015, the independent non-executive Directors of the Company were committed to strictly and diligently performing their duties in accordance with the relevant domestic and overseas laws and regulations and the Articles of Association. During the Reporting Period, they reviewed the proposals and relevant documents presented by the Company and actively participated in the meetings of the Board and special committees of the Board. They expressed their views objectively and independently protecting the interests of the independent shareholders and played a part in the checks and balances of the decision making process of the Board. Independent non-executive Directors reviewed regular reports of the Company diligently. They had discussions with external auditors in regular and special meetings before and after their year-end auditing works. Such meetings were held prior to the Board meetings. During the Reporting Period, the independent Directors of the Company did not object to any motions, resolutions and other matters discussed at the meetings of the Board.

Chapter XI | Corporate Governance and Corporate Governance Report

1. Independent Directors' Attendance to the Board Meetings and the General Meetings

Independent Directors' Attendance to the Board Meetings							
Name of independent Director	Number of Board meetings needed 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	
Li Kejun	19	3	16	0	0	No	
Pan Chengwei	19	3	16	0	0	No	
Wong Kwai Huen	19	3	16	0	0	No	
Times of attendance of independent Directors at the general meetings	1 (please refer to "2. Attendance of the Directors at the general meetings" of "IV. Shareholders and General Meetings" under "Part II: Corporate Governance Report (Prepared in accordance with the Requirements of the Hong Kong Listing Rules)" in this chapter for details)						

2. Independent Directors' Opposition to Relevant Proposals of the Company

Independent Directors did not present any opposition to relevant proposals of the Company.

3. Other Descriptions to Duty Performance of Independent Directors

There was no non-adoption of relevant suggestions to the Company from independent Directors.

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

The Board set up four special committees, i.e. Audit Committee, Remuneration and Appraisal Committee, Strategic Development Committee, and Nomination Committee. Those special committees conscientiously performed their duties in accordance with the Governance Guidelines of Listed Company, the Articles of Association, the Rules of Procedures of the Board, the Hong Kong Listing Rules and the authorities and obligations endowed by the implement rules of each special committee. For the meetings of each special committee under the Board during the Reporting Period, please refer to "III. Special Committees of the Board" under "Part II: Corporate Governance Report (Prepared in accordance with the Requirements of the Hong Kong Listing Rules)" in this chapter.

VII. OPERATION OF THE SUPERVISORY COMMITTEE

Any risk of the Company discovered by the Supervisory Committee in its supervision during the Reporting Period

Yes No

The Supervisory Committee has no objections to the supervision matters during the Reporting Period.

Chapter XI | Corporate Governance and Corporate Governance Report

VIII. APPRAISAL AND INCENTIVES OF SENIOR MANAGEMENT

In order to promote the Company's development in a standardised, sound and orderly manner, to attract more talents and to maintain the stability of the senior management, the Board has formulated the Regulations for Annual Performance Assessment and Incentive for the Personnel Employed by the CIMC Board, and established the performance appraisal and incentive and restraint mechanisms which link the remuneration of senior management with both the Company's performance and individual performance.

On 17 September 2010, Revision (Draft) of Share Option Incentive Scheme of China International Marine Containers (Group) Co., Ltd. was passed on the first extraordinary general meeting in 2010 of the Company. The Company launched an incentive scheme of the share option of A Shares. For relevant information, please refer to "XV. Implementation of the Company's Share Option Incentive Scheme, Employee Stock Ownership Scheme or Other Employee Incentive Measures" of "Chapter VIII Significant Events" in this Report.

The share option incentive scheme is conducive to the interest sharing and restriction mechanism between the Shareholders, the management and key staff. The management can better balance short-term and long-term targets; attract and retain excellent management personnel and business backbones; continue to create incentive value, ensure long-term stable development of the Company and reinforce competitiveness of the Company.

IX. INTERNAL CONTROL

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

Yes No

According to the findings in identifying the Company's significant deficiency in financial statement internal controls, on the baseline date of the internal controls assessment report, the Company has no significant deficiency in financial statement internal controls. The Board is of the opinion that, the Company has duly complied with the criteria benchmarks for enterprise internal controls and the requirements of other relevant provisions to maintain effective financial statement internal controls in all material aspects.

According to the findings in identifying the Company's significant deficiency in non-financial statement internal controls, on the baseline date of the internal controls assessment report, the Company has not found any significant deficiency in non-financial statement internal controls.

Chapter XI | Corporate Governance and Corporate Governance Report

(II) Self-Assessment Report on Internal Control

Disclosure date of full text of internal control evaluation report	28 March 2016
Disclosure index of full text of internal control evaluation report	www.cninfo.com.cn
Proportion of total assets of the units incorporated in the evaluation scope in the Company's total assets in the consolidated financial statements	95%
Proportion of revenue of the units incorporated in the evaluation scope in the Company's revenue in the consolidated financial statements	95%

Category	Deficiency Identification Criteria	
	Financial Statements	Non-financial Statements
Qualitative Benchmark	<p>Significant Deficiency:</p> <ol style="list-style-type: none"> Discovery of acts of irregularity by Directors, Supervisors or the management that caused significant impacts on the financial statements; Amendment to published financial statements to reflect correction to significant reporting errors due to mistakes or irregularities; The presence of significant reporting errors affecting the current financial statements remain undetected by the assessed entity's internal controls systems, but it was discovered by auditors; Significant deficiency that has been reported to the management and the Board but remains uncorrected after a reasonable period of time; alternatively, although the assessed entity has adjusted its significantly deficient internal controls prior to the baseline date, however, the new controls have not been in operation for a sufficiently long period; Ineffective monitoring on internal controls by the Audit Committee and the Internal Controls Auditing Unit. 	<p>Significant Deficiency:</p> <ol style="list-style-type: none"> The assessed entity's business activities in serious violation of the laws and regulations of the state; Non-compliance in major policy decisions, substantive matters, appointment and dismissal of key personnel, as well as the decision processes for large sum payments. <p>Important Deficiency:</p> <ol style="list-style-type: none"> Important deficiencies remain un-rectified after being reported to the management and after lapse of a reasonable period; Patented technology or proprietary technology being infringed upon or confidentiality is compromised thus undermining market competitiveness of the assessed entity's one or more products; but this has not affected the assessed entity's market position.

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Category	Deficiency Identification Criteria	
	Financial Statements	Non-financial Statements
	<p>Important Deficiency:</p> <p>Deficiency in internal controls in the following areas, which after general analysis still cannot ensure the authenticity, accuracy and reliability of the financial statements should be determined to be important deficiency:</p> <ul style="list-style-type: none"> • Internal controls on the choice and application of accounting policies according to generally accepted accounting standards; • Anti-fraud procedures and controls; • Internal controls on unconventional or non-systematic transactions; • Internal controls on end-period financial reporting processes; • Internal controls on information systems relating to financial reporting; • Failure in compliance supervisory functions that can have a major impact on the reliability of the financial statements; • Penalty sanctions by the state authorities but which have not impacted negatively on the assessed entity's regular reporting disclosure; • For companies that are required to put in place internal auditing or risk assessment functions for effective monitoring, the failure of such functions. <p>General Deficiency:</p> <p>Penalty sanctions by provincial (inclusive) or lower level authorities but which have not impacted negatively on the assessed entity's disclosure for regular reporting.</p>	<p>General Deficiency:</p> <p>Patented technology or proprietary technology being infringed upon or confidentiality is compromised thus undermining market competitiveness of the assessed entity's one or more products; but the effect is minimal.</p>

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Category	Deficiency Identification Criteria	
	Financial Statements	Non-financial Statements
Quantitative Benchmark	<p>(The erroneously reported amounts (X) in financial statements fall between the following range)</p> <p>Significant Deficiency:</p> <ol style="list-style-type: none"> $x \geq 0.5\%$ of total sales revenues; $x \geq 5\%$ of total profits; $x \geq 1\%$ of total assets; $x \geq 1\%$ of total stakeholders' interests. <p>Important Deficiency:</p> <ol style="list-style-type: none"> 0.1% of total sales revenues $\leq x < 0.5\%$ of total sales revenues; 1% of total profits $\leq x < 5\%$ of total profits; 0.2% of total assets $\leq x < 1\%$ of total assets; 0.2% of total stakeholders' interests $\leq x < 1\%$ of total stakeholders' interests. 	<p>Significant Deficiency:</p> <ol style="list-style-type: none"> Failure to maintain and/or update documentation contents for the internal controls systems for 3 years and more in succession, and failure to retain a full set of working papers for internal controls sampling checks; Continuous interruption of normal services for a period of over 48 hours in such important public IT systems or platforms as corporate communication systems (including network, correspondence, telephone), ERP system, financial information system, PDM system, OA system and so on. <p>Important Deficiency:</p> <ol style="list-style-type: none"> Failure to maintain and/or update documentation contents for the internal controls systems for 2 years in succession, and failure to retain a full set of working papers for internal controls sampling checks; Continuous interruption of normal service for a period of over 24 hours but less than 48 hours, in such important public IT systems or platforms as corporate communication systems (including network, correspondence, telephone), ERP system, financial information system, PDM system, OA system and so on. <p>General Deficiency:</p> <ol style="list-style-type: none"> Failure to perform annual maintenance and update internal controls system documentation, and failure to retain a full set of working papers for internal controls sampling checks; Instabilities with occasional service interruption of such important public IT systems or platforms as corporate communication systems (including network, correspondence, telephone), ERP system, financial information system, PDM system, OA system and so on; but normal operation can be recovered within a period of 24 hours.

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Category	Deficiency Identification Criteria	
	Financial Statements	Non-financial Statements
	General Deficiency:	
	1. $x < 0.1\%$ of total sales revenues;	
	2. $x < 1\%$ of total profits;	
	3. $x < 0.2\%$ of total assets;	
	4. $x < 0.2\%$ of total stakeholders' interests.	
Number of significant deficiency of financial statements		0
Number of significant deficiency of non-financial statements		0
Number of important deficiency of financial statements		0
Number of important deficiency of non-financial statements		0

X. INTERNAL CONTROL AUDIT REPORT

Applicable Not applicable

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 statements in all material aspects in accordance with the Basic Norms for Enterprise Internal Controls and relevant requirements on 31 December 2015.

The disclosure state of internal control audit report	Disclosed
Disclosure date of full text of internal control audit report	28 March 2016
Disclosure index of full text of internal control audit report	www.cinfo.com.cn
Category of opinions in internal control audit report	Unqualified opinions
Whether there is material defects in non-financial report	No

Whether the accountants firm prescribes internal control audit report of nonstandard views

Yes No

Whether the internal control audit report prescribed by accountants firm is consistent with the self-evaluation report of the Board

Yes No

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

The Company has been committed to enhancing the Company's corporate governance standards. Through strict corporate governance practices, the Company strives to enhance corporate value and ensure our long-term sustainable development, and to fulfil corporate responsibility as a listed company as well as maximise long-term Shareholders value. The Company has complied with the code provisions under the Corporate Governance Code set out in Appendix 14 of the Hong Kong Listing Rules during the Reporting Period, except for deviation of the code provisions A.1.1, A.2.7 and A.6.7. The details of deviation of the code provisions of Corporate Governance Code and its considerations are disclosed in relevant paragraphs below.

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

The Company has adopted the provisions in relation to dealing in shares of the Company by Directors and Supervisors as set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Hong Kong Listing Rules. Having made enquiries to all Directors and Supervisors, each Director and Supervisor has confirmed to the Company that each of them has complied with the requirements set out in the Model Code during the Reporting Period.

II. THE BOARD**(I) Functions of the Board**

The Board of the Company is elected by the general meeting of the Company through voting and is held accountable to the general meeting. The primary responsibilities of the Board are to provide strategic guidance to the Company, exercise effective supervision over the senior management, ensure that the Company's interests are protected and are accountable to the Shareholders. In accordance with the Articles of Association or as authorised by the general meeting, the Board makes decisions on certain important matters, including the Company's business plans and investment programmes; annual financial budgets and final accounts; profit distribution plans; increase or decrease of registered capital, the issuance of bonds or other securities and listing programmes; major acquisition programmes; foreign investments, acquisition and sale of assets, pledge of assets, and external guarantees; appointment or dismissal of the Company's president, vice president, chief financial officer and other senior management and their remuneration, and incentive issues; formulation of the Company's basic management system; development of the proposal on amendments to the Articles of Association; management of the Company's information disclosure; proposed engagement or replacement of the accounting firm auditing for the Company to the general meeting; listening to the reporting of the Company's president and inspection of the president's work; and other authorities granted by laws, administrative regulations, rules or the Articles of Association. During the Reporting Period, the Directors and the Board of the Company carried out corporate governance duties in respect of the Company in a serious and responsible manner. The Directors were elected by strictly following the procedures for election and appointment of Directors provided for in the Articles of Association. All Directors attended Board meetings in a serious and responsible manner, performed their duties as Directors seriously and diligently, made important decisions concerning the Company, appointed and removed and supervised the members of the operation units of the Company.

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(II) Composition of the Board

According to the requirements of the Articles of Association, the Board of the Company consists of eight Directors, among whom there are one chairman, one vice chairman and three independent non-executive Directors. As at 31 December 2015, current Directors include: Mr. Wang Hong (chairman), Mr. Zhang Liang (vice chairman), Mr. Wu Shuxiong as non-executive Directors, Mr. Mai Boliang as executive Director and Mr. Li Kejun, Mr. Pan Chengwei and Mr. Wong Kwai Huen, Albert as three independent non-executive Directors.

Among the current Directors, the three non-executive Directors have vast and extensive experience in business and management; the three independent non-executive Directors own academic and professional qualifications and rich experience respectively in shipping, finance, legal and management, and have influence in related industries and actively undertake their duties. Especially, Mr. Pan Chengwei, independent non-executive Director, has appropriate accounting and financial management expertise in compliance with the requirements in Rule 3.10 of Hong Kong Listing Rules. The professional qualifications and abundant experience of current Directors help the Board of the Company rigorously review and monitor management procedures to ensure the interests of all Shareholders, including minority Shareholders. Profiles of all Directors of the Company and their terms of office are set out in the section headed "Brief Biography of the Directors" under "Chapter X Information on Directors, Supervisors, Senior Management and Employees" of this Report. The composition of the Board of the Company complies with Rules 3.10(1), (2) and Rule 3.10A of the Hong Kong Listing Rules.

The Company has established a system of independent non-executive Directors. There are three independent non-executive Directors in the Board, which satisfied the minimum number of independent non-executive Directors required under the Hong Kong Listing Rules. The Company has received annual confirmation of independence from each of the three independent non-executive Directors pursuant to Rule 3.13 of the Hong Kong Listing Rules. The Company considers that the three independent non-executive Directors are completely independent of the Company, its substantial Shareholders and its connected persons and comply fully with the requirements concerning independent non-executive Directors under the Hong Kong Listing Rules. The three independent non-executive Directors do not hold other positions in the Company. They perform their duties seriously according to the Articles of Association and the relevant requirements under the applicable laws and regulations.

There are no financial, business, family or other significant/related relationships among the Board members, chairman and president.

(III) Board Meeting

1. Attendance

Pursuant to the provisions of Articles of Association, the Board shall convene at least four meetings each year. In 2015, the Board of the Company convened 19 meetings, including 3 on-site meetings and 16 meetings in writing. In 2015, the attendance of all Directors to the Board meetings is as follows:

Name	Position	Time of attendance in person	Board Time of attendance by proxy	Attendance rate (%)
Wang Hong	Chairman	19	0	100
Zhang Liang	Vice chairman	19	0	100
Mai Boliang	Director	19	0	100
Wu Shuxiong	Director	14	5	100
Li Kejun	Independent Director	19	0	100
Pan Chengwei	Independent Director	19	0	100
Wong Kwai Huen, Albert	Independent Director	19	0	100

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

The Board of the Company convened 19 Board meetings and 21 meetings of special committees of the Board and passed 35 resolutions of the Board and 49 letters of opinions from Board committees during the Reporting Period.

Session of meeting of the Board	Date	Resolutions of the Board considered
The 1st meeting in 2015 of the 7th session	6 January 2015	<ol style="list-style-type: none"> 1. Resolution on convening the first extraordinary general meeting in 2015 2. Resolution on matters relating to the appointment of assistant company secretary and the esubmission system of Hong Kong Stock Exchange
The 2nd meeting in 2015 of the 7th session	2 February 2015	<ol style="list-style-type: none"> 1. Resolution on the registration and issue of RMB perpetual medium term note
The 3rd meeting in 2015 of the 7th session	17 February 2015	<ol style="list-style-type: none"> 1. Resolution on electing a Director to chair the first extraordinary general meeting in 2015
The 4th meeting in 2015 of the 7th session	24 March 2015	<ol style="list-style-type: none"> 1. Resolution concerning the 4th meeting of the Board in 2015 2. Resolution on financing arrangements of 2015 3. Resolution on the execution of daily related-party transactions in 2014 4. Resolution on authorisation of donations 5. Resolution on provision for profit-sharing funds of 2014 6. Resolution on authorisation of investment management
The 5th meeting in 2015 of the 7th session	26 March 2015	<ol style="list-style-type: none"> 1. Resolution on matters concerning non-public issue of overseas-listed foreign share(s) (H Shares) under general mandate
The 6th meeting in 2015 of the 7th session	20 April 2015	<ol style="list-style-type: none"> 1. Resolution concerning the 6th meeting of the Board in 2015 2. Resolution on providing guarantee for banking facilities and projects of the subsidiaries of the Company in 2015 3. Resolution on banking facility guarantee provided by CIMC Vehicle (Group) Co., Ltd. for its subsidiaries 4. Resolution on the credit guarantee provided by CIMC Vehicle (Group) Co., Ltd. and its non-wholly-owned subsidiaries to their distributors and customers 5. Resolution on the application of external guarantee provided by CIMC Finance Company Ltd. to members of the Group 6. Resolution on the credit guarantee provided by C&C Trucks Co., Ltd. and its non-wholly-owned subsidiaries to their distributors and customers
The 7th meeting in 2015 of the 7th session	27 April 2015	<ol style="list-style-type: none"> 1. Resolution on the first quarterly report of 2015
The 8th meeting in 2015 of the 7th session	12 May 2015	<ol style="list-style-type: none"> 1. Resolution on matters concerning the exercising of the A share options granted on 28 September 2010 and 22 September 2011 by the scheme participants
The 9th meeting in 2015 of the 7th session	19 May 2015	<ol style="list-style-type: none"> 1. Resolution on equity transfer of CIMC-SMM Vehicle (Thailand) CO., LTD. 2. Resolution on equity transfer of Tianjin CIMC North Ocean Container Co., Ltd. 3. Resolution on proposal of by-election of Mr. Li Kejun as an independent Director of the 7th session of the Board

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Session of meeting of the Board	Date	Resolutions of the Board considered
The 10th meeting in 2015 of the 7th session	8 June 2015	Resolution on determining the members of the Remuneration and Appraisal Committee and the Audit Committee
The 11th meeting in 2015 of the 7th session	28 July 2015	Resolution on adjustment of exercising price under the A Share(s) Share Option Incentive Scheme
The 12th meeting in 2015 of the 7th session	29 July 2015	No resolution
The 13th meeting in 2015 of the 7th session	27 August 2015	Resolution concerning the 13th meeting of the Board in 2015
The 14th meeting in 2015 of the 7th session	9 October 2015	<ol style="list-style-type: none"> 1. Resolution on matters concerning the second exercisable period for the A share options granted on 22 September 2011 2. Resolution on cancellation of the outstanding share options during the first exercisable period of the A share options granted on 22 September 2011
The 15th meeting in 2015 of the 7th session	19 October 2015	Resolution on establishing 中集集團金融控股有限公司 (香港) (intended name) and CIMC Modular Building Industrial Fund
The 16th meeting in 2015 of the 7th session	27 October 2015	<ol style="list-style-type: none"> 1. Resolution on the third quarterly report of 2015 2. Resolution on approval of equity transfer of overseas vehicle companies at USD 90.00 million
The 17th meeting in 2015 of the 7th session	4 December 2015	Resolution on approval of the plan of introducing strategic investors of CIMC Vehicle (Group) Co., Limited
The 18th meeting in 2015 of the 7th session	15 December 2015	Resolution on deliberation on the equity transfer of CIMC Rolling Stock Australia Pty Ltd at AUD 2 million
The 19th meeting in 2015 of the 7th session	28 December 2015	Resolution on election of chairman

Code provision A.1.1 of the Corporate Governance Code requires that “The board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals”. During the Reporting Period, the Company held 19 Board meetings and 3 of which were regular meetings. Through the management and monitoring of business operations, the executive Directors of the Company from time to time decide to propose convening meetings for important business and administrative matters. Therefore, some of the decisions are made by all the Directors by way of written resolutions. The Directors believe that the fairness and effectiveness of the decision-making process related to business needs have been adequately ensured. In the future, the Company will strive to practice good corporate governance practices.

Code provision A.2.7 of the Corporate Governance Code requires that “The chairman should at least annually hold meetings with the non-executive directors (including independent non-executive directors) without the executive directors present”. The Company has only one executive Director and the Company’s business operation is managed and monitored by the executive Director. The Directors consider that during the Reporting Period there is no meeting which the executive Director needs to be avoided. Therefore, the Company has not held a Board meeting without the presence of the executive Director during the Reporting Year.

Code provision A.6.7 of the Corporate Governance Code requires that “Independent non-executive directors and other non-executive directors should also attend general meetings and develop a balanced understanding of the views of shareholders”. Independent non-executive Directors, i.e. Li Kejun, Pan Chengwei and Wong Kwai Huen, Albert, failed to attend the 2015 first extraordinary general meeting of the Company held on 3 March 2015 due to engagement in other important business.

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

The Board and the management have different responsibilities and authorities. For details of responsibilities of the Board, please refer to the Articles of Association, and for the brief overview, please refer to “(I) Functions of the Board” of “II. The Board” under “Part II: Corporate Governance Report (Prepared in accordance with the Requirements of the Hong Kong Listing Rules)” in this chapter of this Report. The management is responsible for the daily operation and accountable to the Board by timely providing adequate data to it and its special committees to ensure their informed decision-making, and the Directors have the right to request further data from the management of the Company.

(V) Chairman and President

The chairman and the president of the Company are two different positions with different duties and responsibilities. Mr. Wang Hong is the chairman of the Company and Mr. Mai Boliang is the CEO and president of the Company.

Pursuant to the Articles of Association, the primary duties and responsibilities of the chairman of the Company are chairing the general meetings and convening and chairing meetings of the Board; urging and inspecting the implementation of Board resolutions; signing share certificates, debentures and other quoted securities of the Company; signing important documents of the Board and other documents which should be signed by the Company's legal representative; exercising the authority and powers of a legal representative; exercising special discretionary power on corporate affairs in accordance with laws and in the Company's interests in case of emergency situations such as the occurrence of natural disasters of an exceptional scale and other force majeure events, and providing aftermath reports to the Board and general meeting; and performing other duties and powers authorised by the Board.

Pursuant to the Articles of Association, the primary duties and responsibilities of the president of the Company are managing production and operation and reporting to the Board, organising the implementation of Board resolutions, organising the implementation of annual business plans and investment plans of the Company, formulating plans for the establishment of internal management institutions of the Company, devising the basic management system of the Company, formulating specific rules and regulations of the Company, advising the Board to appoint or dismiss vice presidents and the chief financial officer, appointing or dismissing management staff other than those whom should be appointed or dismissed by the Board, developing salary, benefits, rewards and punishments of employees of the Company, deciding on appointing or dismissing of employees of the Company; proposing to hold extraordinary meeting of the Board; and performing other duties and power authorised by the Articles of Association or the Board.

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

Pursuant to the Articles of Association, the Directors of the Company (including non-executive Directors) shall be elected at the general meeting and serve a term of office of three years. Upon the expiry of their term of office, the Directors may be re-elected for another session. The term of office of the independent non-executive Directors shall not exceed six years. The appointment and dismissal of Directors shall be considered and approved at the general meeting of the Company. Directors service contracts shall be signed between the Company and relevant Directors. During this year, the changes of Directors and Supervisors of the Company are listed in “IV. Changes of Directors, Supervisors and Senior Management of the Company during the Reporting Period” of “Chapter X Information on Directors, Supervisors, Senior Management and Employees” in this Report.

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Chairman Wang Hong and Director Mai Boliang signed the service contract with the Company on 5 December 2012. Details of such service contracts mainly include: (1) the service contracts shall be valid from the listing date (19 December 2012) to the 2012 Annual General Meeting convened in June 2013. Upon the expiry, both contracts can be renewed for another three years; and (2) the service contracts may be terminated in accordance with respective terms stipulated therein. Vice president Zhang Liang signed the service contract with the Company on 7 March 2014. Details of such service contract mainly include: (1) the service contract shall be valid from the first extraordinary general meeting in 2014 (7 March 2014) to the 2015 Annual General Meeting. Upon the expiry, the contract can be renewed for another three years; and (2) the service contract may be terminated in accordance with respective terms stipulated therein. Director Wu Shuxiong signed the service contract with the Company on 27 September 2013. Details of such service contract mainly include: (1) the service contract shall be valid from the first extraordinary general meeting in 2013 (27 September 2013) to the 2015 Annual General Meeting. Upon the expiry, the contract can be renewed for another three years; and (2) the service contract may be terminated in accordance with respective terms stipulated therein. The service contracts can be updated according to the Articles of Association of the Company and applicable laws, rules and regulations.

The term of Mr. Li Kejun, an independent non-executive Director was from 8 June 2015 to the general meeting of the Company for 2015. The Company signed a service contract with him on 8 June 2015. The terms of Mr. Pan Chengwei and Mr. Wong Kwai Huen, Albert both independent non-executive Directors, were three years from 28 June 2013. The Company signed service contracts with Mr. Pan Chengwei and Mr. Wong Kwai Huen, Albert on 28 June 2013.

The chairman of the Supervisory Committee, Mr. He Jiale, and all other Supervisors, i.e. Mr. Wang Zhixian and Mr. Xiong Bo signed the contracts with the Company respectively on 27 September 2013, 8 June 2015 and 4 December 2013, among others, in accordance with relevant laws and regulations, the Articles of Association and Arbitration Clause.

For details of the term of current Directors and Supervisor, please refer to "I. Brief Biography of the Directors, Supervisors and Senior Management of the Company" of "Chapter X Information on Directors, Supervisors, Senior Management and Employees" of this Report.

Apart from disclosed above, no Director or Supervisor has a service contract or attempt to enter a service contract (which is not terminable by the Company within one year without payment of compensation, save for statutory compensation) with any member of the Group.

(VII) Directors' Remuneration

Among the seven Directors of the Company, Mr. Mai Boliang was paid by the Company due to his both positions as CEO and president. Except for Mr. Mai, the Company did not pay any of the non-executive Directors (except the independent non-executive Directors) during the Reporting Period. As considered and approved by the Board and the general meeting, each of the independent non-executive Directors was entitled to an allowance of RMB200,000 per annum. Other than that, the Company did not provide other remuneration to the independent non-executive Directors during this year. Details of remuneration paid to the Directors by the Company during this year are listed in "VI. Remuneration of Directors, Supervisors and Senior Management" of "Chapter X Information on Directors, Supervisors, Senior Management and Employees" in this Report. In the review and determination of specific remuneration packages for the Directors, the Company's Remuneration and Appraisal Committee may consider factors such as salaries paid by comparable companies, time of commitment and responsibilities of the Directors.

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(VIII) Interests of Directors

1. Interests of Directors and Supervisors in Contracts

During the Reporting Period, none of the Directors or Supervisors of the Company had any material personal interests, either directly or indirectly, in any transaction, arrangement or contract of significance where the Company or any of its subsidiaries was a party.

2. Competing Interests of Directors and Supervisors

During the Reporting Period, none of the Directors or Supervisors had any interests in a business that competes or may compete directly or indirectly with the business of the Group.

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

- Upon assumption of duty by the Directors, the Company shall provide relevant instruction materials. Information about the Company's business and operation shall be provided on a regular basis as well. The dynamic data on relevant new laws and regulations and internal publications shall be given from time to time. Relevant continuous professional training shall be organised at the Company's cost to help Directors fully understand their responsibilities prescribed in the Hong Kong Listing Rules and other relevant laws and regulations, and comprehensively understand the operation of the Company in a timely manner. In order to ensure the fulfilment of responsibilities by independent non-executive Directors, the Company will also arrange independent non-executive Directors to conduct field visits and to develop ample communication with the chief financial officer and the auditors.
- To ensure their continued development and update of knowledge and skills for better performance of their duties, the Directors attended the training provided by the auditors. According to records kept by the Company, in 2015, the Directors of the Company received the following trainings:

Name	Position	Laws, regulations and rules and other reading materials
Wang Hong	Chairman and non-executive Director	1. PWC – Amendments on "Corporate Governance Code" and "Corporate Governance Report", mainly relating to the risk management, the internal control and the enquiry summary from the Stock Exchange
Zhang Liang	Vice chairman and non-executive Director	
Mai Boliang	Executive Director, CEO and president	2. PWC – Supporting materials about the amendments on "Corporate Governance Code" of the Hong Kong Listing Rules
Wu Shuxiong	Non-executive Director	
Li Kejun	Independent non-executive Director	
Pan Chengwei	Independent non-executive Director	
Wong Kwai Huen, Albert	Independent non-executive Director	

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3. The Company shall engage auditors, independent financial advisers, lawyers and other relevant independent professionals for independent professional advice as required when commenting on matters such as external guarantees, capital occupation and connected transactions of the Company by the Directors, in order to assist the Directors in fulfilling their responsibilities.
4. Concerning possible legal risks that the Directors, the Supervisors and the senior management of the Company might face during their fulfilment of responsibilities, on 2 June 2015, the Company contracted with Ping An Property & Casualty Insurance Company of China, Ltd. on Ping An liability insurance for Directors, Supervisors and senior management with a term of 1 year and a compensation limit of RMB100 million/year.

III. SPECIAL COMMITTEES OF THE BOARD

Under the Board, there are Remuneration and Appraisal Committee, Nomination Committee, Audit Committee, and Strategy Committee. Their main responsibility is to support the decision-making of the Board. Directors who participate in the special committees focus on the research of certain issues based on the division of work and provide suggestions that would help improve and enhance the management of the Company.

(I) Remuneration and Appraisal Committee

1. Duties and Responsibilities of the Remuneration and Appraisal Committee

The main duties and responsibilities of the Remuneration and Appraisal Committee of the Company are: to study and formulate evaluation criteria for senior management, to perform evaluation and propose remuneration policies and plans; to make recommendations regarding the evaluation criteria and remuneration policies of Directors; to formulate share incentive plans pursuant to provisions of relevant laws, regulations and normative documents; to be responsible for the management of share incentive plans, including but not limited to reviews on the qualification of grantees, grant condition and condition for exercising the same; and to carry out other matters authorised by the Board.

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

The Remuneration and Appraisal Committee of the Company comprises five Directors, including three independent non-executive Directors and two non-executive Directors. During the Reporting Period, the chairman of the Remuneration and Appraisal Committee is Mr. Li Kejun, and the members are Mr. Wang Hong, Mr. Wu Shuxiong, Mr. Pan Chengwei and Mr. Wong Kwai Huen, Albert.

Members of the Remuneration and Appraisal Committee	Time of attendance in person	Time of attendance by proxy
Mr. Li Kejun (chairman)	4	0
Mr. Wang Hong	4	0
Mr. Pan Chengwei	4	0
Mr. Wong Kwai Huen, Albert	4	0
Mr. Wu Shuxiong	4	0

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

The Remuneration and Appraisal Committee held 4 meetings during the Reporting Period, and the proposals they deliberated are as follows:

Session of meeting	Date	Resolutions considered
The 1st meeting in 2015 of the 7th session	23 March 2015	Audit opinion on the disclosure of remuneration of Directors, Supervisors and senior management
The 2nd meeting in 2015 of the 7th session	12 May 2015	Remuneration Committee's opinion on confirmation of the list of scheme participants of the A share options granted on 28 September 2010 and 22 September 2011
The 3rd meeting in 2015 of the 7th session	24 May 2015	Minutes of meeting
The 4th meeting in 2015 of the 7th session	9 October 2015	Opinion on confirmation of the list of scheme participants for the second exercisable period of the A share options granted on 22 September 2011

4. Decision Process for Remuneration

The appraisal procedures of the Company's Remuneration and Appraisal Committee include: (i) The Remuneration and Appraisal Committee determines the list of staff to be appraised; (ii) the staff to be appraised submit a work report and provide self-evaluation to the Remuneration and Appraisal Committee of Board; (iii) the Remuneration and Appraisal Committee evaluates the performance of the staff based on the evaluation criteria and procedures; and (iv) the Remuneration and Appraisal Committee proposes the remuneration scheme or recommendation for each staff based on their results of performance evaluation and the remuneration distribution policy, and reports it to the Board after passing the vote.

Article 14 of the implement rules of the Remuneration and Appraisal Committee prescribes that: "The remuneration plan of the Company's Directors proposed by the Remuneration and Appraisal Committee shall be submitted to the Board for discussion and consent, and then submitted to the general meeting for consideration and approval before implementation; The remuneration distribution plan of senior management shall be submitted to the Board for examination and approval before implementation." Model (ii) of Rule B.1.2(c) in Appendix 14 of the Hong Kong Listing Rules is adopted.

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(II) Nomination Committee

1. Duties and Responsibilities of the Nomination Committee

The main duties and responsibilities of the Nomination Committee are to review the structure, size and composition of the Board annually on a regular basis and make recommendations on any proposed changes to the Board to keep in line with the Company's strategy; to identify individuals qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships; to assess the independence of independent non-executive Directors; to make recommendations to the Board on relevant matters relating to the appointment or reappointment of Directors, and succession plan for Directors; to evaluate the Directors' work and make suggestions or recommendations on the replacement of Directors based on the evaluation results (if applicable); to fully consider the Company's policy on diversity of Board members when fulfilling responsibilities, i.e. the selection of candidates for the Board will be based on a diverse range of criteria, including but not limited to, gender, age, cultural and educational background, professional experience, skills and knowledge; and to review, where appropriate, the Company's policy on diversity of Board members as well as the measurable goals and progress of the policy implementation to ensure its efficiency; and to perform other duties authorised by the Board.

2. Members of the Nomination Committee and the Attendance Rate

The Nomination Committee comprises three Directors, including two independent non-executive Directors and one non-executive Director. The chairman of the Nomination Committee is Mr. Wong Kwai Huen, Albert, and the members include Mr. Wang Hong and Mr. Pan Chengwei.

Member of the Nomination Committee	Time of attendance in person	Time of attendance by proxy
Mr. Wong Kwai Huen, Albert (chairman)	3	0
Mr. Wang Hong	3	0
Mr. Pan Chengwei	3	0

3. Work of the Nomination Committee during the Reporting Period

The Nomination Committee held 3 meetings during the Reporting Period, and the proposals deliberated are as follows:

Session of meeting	Date	Resolutions considered
The 1st meeting in 2015 of the 7th session	23 March 2015	Audit opinion on review of the structure, number of members and composition of the Board
The 2nd meeting in 2015 of the 7th session	19 May 2015	Opinion on proposal of by-election of Mr. Li Kejun as independent Director of the 7th session of the Board
The 3rd meeting in 2015 of the 7th session	28 December 2015	Opinion on the succession plan for chairman

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4. Policy of Diversity of the Board Members

The Company revised the working guidelines for the Nomination Committee on 25 March 2014, which clarified the policy of diversity of the Board members, i.e. the selection of candidates for the Board will be based on a diverse range of criteria, including but not limited to, gender, age, cultural and educational background, professional experience, skills and knowledge. On top of the above conditions, qualities such as the candidate's comprehensive value to the Company's business and development, his/her potential contribution to the Board and requirements on diversity of the Board members will be taken into account when the final decision is made. The Board considers that the Company's existing practices have covered requirements on diversity of the Board members.

5. Procedures and Criteria of Nomination of Directors

Pursuant to the Articles of Association, election and replacement of Directors shall be proposed to general meeting for approval. The Nomination Committee of the Board (the Board), the Supervisory Committee and the Shareholders whose shareholding represents 1% or more of the voting shares of the Company are entitled to raise proposals. The Office of the Secretary to the Board is responsible for preparing relevant procedural documents, including but not limited to recommendation letters, resume of candidates, tables of basic information and letters of resignations, which shall be submitted to the Board for consideration, and then to the general meeting for approval upon the consent of the Director candidates and qualification review of the Board's Nomination Committee. At the same time, resigning Directors are requested to sign resignation letters. Pursuant to the Articles of Association, the Company is required to give notice of the general meeting to the Shareholders in writing 45 days in advance and send a circular to the Shareholders. Pursuant to Rule 13.51(2) of the Hong Kong Listing Rules, information concerning the name list, resumes and emoluments of the candidates for directorship must be set out in the circular to Shareholders to facilitate voting by Shareholders. The new Directors must be approved by more than half of the total voting shares held by the Shareholders present in person or by proxy at the general meeting.

(III) Audit Committee

1. Duties and Responsibilities of the Audit Committee

The major duties and responsibilities of the Audit Committee of the Company are: making proposals of engaging or replacing external audit firms (including auditing of both financial reports and internal control, hereinafter referred to as the "external audit"); supervising the Company's internal audit system and its implementation; being responsible for conducting communication between our internal audit department and external auditors; reviewing the Company's financial information and its disclosures; reviewing the implementation of Company's internal control system and its self-evaluation; conducting a conclusive review and the confirmation of the Company's material defects in respect of internal control; conducting audit on material connected transactions; and other duties authorised by the Board.

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2. Members of the Audit Committee and the Attendance Rate

During the Reporting Period, the Audit Committee comprises three independent non-executive Directors. The chairman of the Audit Committee is Mr. Pan Chengwei, and the members include Mr. Li Kejun and Mr. Wong Kwai Huen, Albert.

Member of the Audit Committee	Time of attendance in person	Time of attendance by proxy
Mr. Pan Chengwei (chairman)	7	0
Mr. Li Kejun	7	0
Mr. Wong Kwai Huen, Albert	7	0

3. Work of the Audit Committee during the Reporting Period

During the Reporting Period, the Audit Committee held 7 meetings. 4 of the meetings of the Audit Committee were held by way of written resolution.

Session of meeting	Date	Resolutions considered
The 1st meeting in 2015 of the 7th session	10 March 2015	–
The 2nd meeting in 2015 of the 7th session	23 March 2015	<ol style="list-style-type: none"> Opinion on the execution of daily related-party transactions in 2014 Opinion on matters concerning the non-public issue of overseas-listed foreign share(s) (H Shares) under general mandate Opinion on assessment of the work of the accounting company and proposal of auditing body for 2015 Opinion on implementing the new CASBE Audit opinion on the 2014 financial report of CIMC Opinion on Self-assessment Report on CIMC's Internal Control for 2014
The 3rd meeting in 2015 of the 7th session	26 April 2015	Audit opinion on the first quarterly report of 2015
The 4th meeting in 2015 of the 7th session	19 May 2015	Opinion on the equity transfer of CIMC-SMM Vehicle (Thailand) CO., LTD.
The 5th meeting in 2015 of the 7th session	26 August 2015	Opinion on the interim financial report of 2015
The 6th meeting in 2015 of the 7th session	27 October 2015	Opinion on the third quarterly financial report of 2015
The 7th meeting in 2015 of the 7th session	21 December 2015	Minutes of meeting

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(IV) Strategy Committee

In accordance with the implement rules of the Strategy Committee, the main duties and responsibilities of the committee are: to study and make recommendations on the Company's long-term strategic development plan, on the major investment programme that is subject to the approval of the Board, and on the major capital operations and asset management projects that shall be subject to the approval of the Board; and to perform other duties authorised by the Board.

Members of Strategy Committee comprise two non-executive Directors and one executive Director. Chairman of the committee is Wang Hong (chairman of the Company), and the members include Zhang Liang (vice chairman of the Company) and Mr. Mai Boliang.

During the Reporting Period, the Strategy Committee of the Company held meetings through interviews, telephone, email, electrocommunication and other methods to discuss important matter of the Company, kept close and effective communication and ensured the performance of its duties and responsibilities. Meanwhile, the investment and M&A leading group of CIMC under the Strategy Committee also held 7 meetings on investment projects to fully evaluate the Company's major investments, which provided a strong basis for the decision of the Board.

(V) Corporate Governance Functions

The Board has responsibilities of corporate governance, that is to urge the management to establish compliant organisational structure and systems, and to abide by the Corporate Governance Code and other laws and regulations in its daily management. During the Reporting Period, the Board audited the compliance of the Company's corporate governance policies and guidelines. According to the Corporate Governance Code, the Board was responsible for and performed the following corporate governance functions during the Reporting Period:

1. To formulate and review the Company's corporate governance policies and practices;
2. To review and monitor the training and continuous professional development of the Directors and senior management;
3. To review and monitor the policies and practices in terms of the Company's compliance with laws and regulations;
4. To formulate, review and monitor the code of conduct for employees and Directors; and
5. To review the Company's compliance with the Corporate Governance Code set out in Appendix 14 of the Hong Kong Listing Rules and the disclosure in the Corporate Governance Report.

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IV. SHAREHOLDERS AND GENERAL MEETINGS**1. Shareholders' Rights**

To ensure that all Shareholders of the Company enjoy equal rights and exercise their rights effectively, the Company convenes the general meetings every year pursuant to the Articles of Association.

The Company has always kept good communication with the Shareholders by reporting the performance and operations of the Group to the Shareholders through the disclosures of annual reports, interim reports and quarterly reports, as well as several other formal communication channels. At the same time, the hotline and e-mail services are available for the Shareholders to express their views or to exercise their rights. The materials on the website are regularly updated to keep the Shareholders and the public posted on the recent developments of the Company in a timely manner.

The dates, content, delivery methods, announcement methods and the Shareholders' voting procedures of the Company's circulars and notices of general meetings strictly comply with the relevant provisions of the PRC Company Law, the Articles of Association of the Company and the Hong Kong Listing Rules to ensure the exercise of the Shareholders' rights to attend the general meetings. Pursuant to the Articles of Association, the Shareholder(s) is(are) entitled to supervise the operation of the Company, raise recommendations or enquiries to the Company.

During the Reporting Period, the Company held a total of 2 general meetings.

2. Attendance of the Directors at the General Meetings

Position	Name	General meeting attended	Two general meetings convened in this year	
			Time of attendance	Attendance rate(%)
Chairman and non-executive Director	Wang Hong	First extraordinary general meeting for 2015	1	50
Vice chairman and non-executive Director	Zhang Liang	Annual general meeting for 2014	1	50
Executive Director, CEO and president	Mai Boliang	Annual general meeting for 2014	1	50
Non-executive Director	Wu Shuxiong	Annual general meeting for 2014	1	50
Independent non-executive Director	Li Kejun	Annual general meeting for 2014	1	50
Independent non-executive Director	Pan Chengwei	Annual general meeting for 2014	1	50
Independent non-executive Director	Wong Kwai Huen, Albert	Annual general meeting for 2014	1	50

The resolutions passed at the above general meetings, together with relevant details, have been set out in the relevant announcements published on the websites of the Shenzhen Stock Exchange, cninfo (www.cninfo.com.cn), Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the Company's website.

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3. Implementation of Resolutions of Annual General Meeting by the Board

All members of the Board have seriously and diligently performed their duties, implemented the resolutions passed at the annual general meeting and accomplished all tasks as authorised by the annual general meeting according to the relevant laws and regulations of the respective jurisdictions where the Company's shares are listed and the provisions as set out in the Articles of Association.

4. Requisition by Shareholders to Convene a General Meeting

Pursuant to the Articles of Association, the Shareholder(s) individually or jointly holding a total of 10% or more of the shares of the Company is(are) entitled to request the Board in writing to convene an extraordinary general meeting or a class general meeting. Two or more Shareholders holding a total of 10% or more of the shares carrying voting right of the Company may sign one or more written requests of identical form and substance requesting the Board to convene a class general meeting or an extraordinary general meeting and stating the subject of the meeting. If the Board disagrees with the proposal of convening an extraordinary general meeting requested by such Shareholders, such Shareholders shall make a written resolution to the Supervisory Committee for convening such an extraordinary general meeting. If the Supervisory Committee agrees to convene such a meeting, a notice of such meeting shall be issued within five days upon receipt of the proposal. Changes made to the original proposal shall be approved by the original proposer. If the Supervisory Committee fails to dispatch a notice of the general meeting within a prescribed period of time, it shall be deemed that the Supervisory Committee fails to convene and preside over the general meeting. In that case, the Shareholder(s) individually or jointly holding 10% or more of the shares of the Company for a continuous period of 90 days may convene and preside over a general meeting by himself/themselves, provided that prior to the announcement of the resolutions of the general meeting the shares held by such convening Shareholder(s) shall not be less than 10% of the shares of the Company. The reasonable expenses incurred by such Shareholder(s) for general meeting or a class general meeting shall be borne by the Company and shall be deducted from the remuneration paid by the Company to the negligent Director(s).

Pursuant to the Articles of Association, the Shareholder(s) individually or jointly holding more than 3% of the Company's shares is(are) entitled to submit extraordinary resolutions in writing to the Board 10 days prior to the general meeting.

Shareholders may also submit their inquiries and questions to the Board in writing by the Company Secretary. For the contact information of the Company Secretary, please refer to the "Chapter I Corporate Profile" in this Report.

The Company values feedbacks from its Shareholders, investors and the public. Enquiries and proposals are welcome and can be submitted to the Company through the following:

By phone: 86 (755) 2680 2706

By fax: 86 (755) 2682 6579

By post: CIMC R&D Centre, 2 Gangwan Avenue, Shekou, Nanshan District, Shenzhen, Guangdong, PRC

Postal Code: 518067

By email: shareholder@cimc.com

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V. SUPERVISORS AND THE SUPERVISORY COMMITTEE

The Supervisory Committee of the Company is accountable to the general meeting. All of the Supervisors have discharged their duties seriously in accordance with the provisions of the Articles of Association, attended all Board meetings and persistently reported their work to the general meeting. In line with the spirit of accountability to all Shareholders, the Supervisory Committee monitored the financial affairs and internal control of the Company and the performance of duties and responsibilities by the Directors, presidents and other senior management personnel of the Company to ensure that they have performed their duties in compliance with applicable laws and regulations. For details of the work of the Supervisory Committee during the Reporting Period, please refer to “Chapter VII Report of the Supervisory Committee” in this Report.

VI. ACCOUNTABILITY, AUDIT AND CONTINUING OPERATIONS

Directors confirm that they have the responsibility to prepare the financial statements for each financial year to truly and fairly report the Group’s performance and accounts regarding its results and cash flows within relevant period. The Directors audited the financial statements for the year ended 31 December 2015 prepared by the Company with the support from the accounting department of the Company, and ensured that the relevant accounting practices and policies are observed and CASBE are complied with in the compilation of the financial statements in order to report the financial position of the Company in a true and fair manner. After due enquiry, the Board considers that the Group has adequate resources to continue operations for the foreseeable future, so it is suitable to adopt an on-going concern basis for the preparation of the financial statements. The Directors did not know or discover any major uncertain events or situations that may have a material impact on the sustainable operation capability of the Company.

For details of the Auditors’ reporting responsibilities and the statements of their feedbacks to the financial statements of the Company for the year ended 31 December 2015, please refer to “Chapter XII Auditor’s Report” of this Report.

VII. REMUNERATION OF THE AUDITORS

The Company has not changed its auditors within the past three years. For information relating to the remuneration received by the auditors for their services to the Company during the Reporting Period, please refer to “IX. Engagement and Disengagement of Firms of Accountants” of “Chapter VIII Significant Events” in this Report.

VIII. COMPANY SECRETARY

The Company Secretary, Mr. Yu Yuqun, shall be responsible for facilitating the Board procedures of the Company and the communications among Directors, between the Directors and the Shareholders, and among the management. The resume of Mr. Yu is listed in “I. Brief Biography of the Directors, Supervisors and Senior Management of the Company” of “Chapter X Information on Directors, Supervisors, Senior Management and Employees” of this Report. In 2015, Mr. Yu received trainings of more than 15 hours to advance his professional skills and knowledge.

Mr. Cheong Sui Fai resigned his post as the assistant company secretary on 7 January 2015, so the Company appointed Ms. Shen Yang as the assistant company secretary. Ms. Shen joined the Company in May 2013. Ms. Shen once worked in the investment banking division of China Merchants Securities (Hong Kong) Co., Ltd. and the corporate financing division of China Everbright International Limited. Ms. Shen obtained the master degree in business administration from Hong Kong University and the bachelor degree in management information system from Fudan University. Ms. Shen is a member of the Hong Kong Institute of Chartered Secretaries. In 2015, Ms. Shen totally accepted over 15 hours of trainings regarding updates of her professional technique and knowledge.

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IX. INVESTOR RELATIONS

For the number of Shareholders and nature of shares as at the end of 2015, please refer to “1. Number of Shareholders and Shareholdings of the Company” of “III. Shareholders and De Facto Controller” of “Chapter IX Changes in Share Capital and Information on Shareholders” of this Report.

In 2015, the Company continued to place emphasis on and committed to improving investor relations management by, in the interest of minority investors, adopting effective and innovative measures in daily work and settlement of major issues to strengthen all-around communication with Shareholders and investors. Regarding the Company’s reception of investors in 2015, please refer to “X. Reception of Research, Communications and Interviews” under “Chapter V Management Discussion and Analysis Prepared in accordance with the Domestic Securities Rules” of this Report. In the coming year, the Company will improve its communication with the investors and endeavor to enhance the investors’ understanding to the Company. Meanwhile, it is expected that more support and attention from the investors can be earned.

X. INTERNAL CONTROL

The Board of the Company is responsible for reviewing the Company’s internal control systems to ensure its effective implementation. The Board has delegated to the Audit Committee the responsibility for reviewing the effectiveness of the internal control systems of the Company and its subsidiaries. The Board reviews, mainly through the internal audit and supervision department, the effectiveness of the internal control systems of the Group annually on a regular basis, and conducts relevant enhancement and correction works based on the findings.

The goals of the Company’s internal control is to reasonably ensure the legal and compliance operation, safeguarding the safety of assets, the truthfulness and completeness of the financial report and relevant information, and to perk up the operation efficiency and results of the Company and promote the materialisation of the development strategies of the Company. During 2015, the audit and supervision department of the Group further carried out the construction and supervision of its internal control system to realise a full coverage, and further carried on its four key internal control tasks, namely the internal control compliance programme, compilation of internal control manual for each level, training of internal control personnel and construction of the IT-based internal control projects. The Company will continue to adjust and improve the development of its internal control system in a timely manner in response to changes in internal and external conditions. In the future, the Company will continue to upgrade and refine its internal control system, while directing attention into operational outcomes, and strengthening monitoring checks by internal control in order to provide reasonable guarantees for the authenticity and completeness of financial statements and attainment of the Company’s strategic and business objectives, it will also promote the healthy and sustainable development of the Company.

During the Reporting Period, the Company performed self-inspection on its corporate governance and self-assessment on its internal control. An assessment report on internal control has been prepared as a result. During the Reporting Period, the Company engaged PricewaterhouseCoopers Zhong Tian LLP as its internal control auditor to express an opinion on the effectiveness of the Company’s internal control over financial reporting. As at 31 December 2015, the Group maintained, based on the internal control auditor’s opinion, an effective internal control over its financial reporting in all material respects in accordance with the Basic Norms for Enterprise Internal Control and relevant provisions. For details of the Company’s internal control in 2015, please refer to “IX. Internal Control” of “Part I: Corporate Governance Work Report (Prepared in accordance with PRC Securities Regulatory” in this chapter hereof.

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In respect of inside information disclosure, the Company has promulgated the Information Disclosure Management System (《信息披露管理制度》) and the Insider Registration and Management System (《關於內幕信息知情人登記管理制度》), set up a supervision regime, specified the scope of inside information and developed the insider registration and archival-filing system. Please refer to “I. Situation of Corporate Governance” of “Part I: Corporate Governance Work Report (Prepared in accordance with the PRC Securities Regulatory Requirements)” in this chapter hereof for details.

The Board reviewed the internal control system of the Group, and believed that the internal control system of the Group for the financial year ended 31 December 2015 functioned properly.

XI. OTHERS

Information on Corporate Governance, mechanisms for assessment of performance and performance incentives and restrictions of the Company, information disclosure and transparency, the relationship with substantial Shareholders, performance of duties by independent non-executive Directors, professional and ethical code for senior management personnel and code of conduct for staff and workers can be accessed on the Company's website at www.cimc.com. You may access such information by following these steps:

1. Go to the Company's homepage, find and click “Investor relationship”;
2. Click “Corporate Governance”; and
3. Finally, click on the information you are looking for.

Chapter XII

Auditor's Report

English translation for reference only.



普华永道

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All Shareholders of China International Marine Containers (Group) Co., Ltd.:

We have audited the accompanying financial statements of China International Marine Containers (Group) Co., Ltd. ("the Group"), which comprise the consolidated and company balance sheets as at 31 December 2015, and the consolidated and company income statements, the consolidated and company statements of changes in shareholders' equity and the consolidated and company cash flow statements for the year then ended, and the notes to the financial statements.

I. MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

- (1) Management of the Group is responsible for the preparation and fair presentation of these financial statements in accordance with the requirements of Accounting Standards for Business Enterprises, and
- (2) for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

II. AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with China Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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English translation for reference only.

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III. OPINION

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and company's financial position of the Group as at 31 December 2015, and their financial performance and cash flows for the year then ended in accordance with the requirements of Accounting Standards for Business Enterprises.

PricewaterhouseCoopers
Zhong Tian LLP

Certified Public Accountant

Cao Cui Li

Shanghai, the People's Republic of China
28 March 2016

Certified Public Accountant

Cai Zhi Feng

Chapter XIII

Financial Statements Prepared
in Accordance with CASBE

As at 31 December 2015
(All amounts in Rmb'000 unless otherwise stated)
(English Translation for Reference Only)

Consolidated Balance Sheet

	Note	31 December 2015	31 December 2014
ASSETS			
Current assets:			
Cash at bank and on hand	IV.1	4,487,166	3,667,387
Financial assets at fair value through profit or loss	IV.2	133,294	427,669
Notes receivable	IV.3	1,369,632	1,591,694
Accounts receivable	IV.4	10,667,049	11,480,465
Advance to suppliers	IV.6	3,290,194	5,223,351
Interest receivable		10,842	3,968
Dividends receivable		12,345	10,427
Other receivables	IV.5	3,253,650	2,574,975
Inventories	IV.7	16,416,646	16,773,431
Current portion of non-current assets	IV.8	3,228,668	2,388,975
Other current assets	IV.9	660,839	1,029,835
Total current assets		43,530,325	45,172,177
Non-current assets:			
Financial assets at fair value through profit or loss	IV.2	19,755	–
Available-for-sale financial assets	IV.10	420,858	396,025
Long-term receivables	IV.11	12,734,564	3,449,542
Long-term equity investments	IV.12	2,036,367	1,165,674
Investment properties	IV.13	438,814	365,555
Fixed assets	IV.14	21,848,053	19,051,137
Construction in progress	IV.15	17,040,388	10,460,940
Disposal of fixed assets	IV.16	99,506	–
Intangible assets	IV.17	4,983,558	4,355,832
Development costs	IV.17	22,966	41,705
Goodwill	IV.18	1,762,141	1,663,747
Long-term prepaid expenses	IV.19	165,711	194,163
Deferred tax assets	IV.20	1,194,462	1,117,744
Other non-current assets	IV.21	465,703	341,940
Total non-current assets		63,232,846	42,604,004
TOTAL ASSETS		106,763,171	87,776,181

Chapter XIII | Financial Statements Prepared in Accordance with CASBE

As at 31 December 2015
(All amounts in Rmb'000 unless otherwise stated)
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	Note	31 December 2015	31 December 2014
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Short-term borrowings	IV.24	17,909,024	11,239,527
Financial liabilities at fair value through profit or loss	IV.25	250,769	103,657
Notes payable	IV.26	1,749,077	1,684,016
Accounts payable	IV.27	8,893,005	11,364,903
Advances from customers	IV.28	2,763,511	3,054,783
Employee benefits payable	IV.29	2,234,271	2,306,294
Taxes payable	IV.30	923,137	799,775
Interest payable	IV.31	216,374	185,780
Dividends payable	IV.32	56,034	47,973
Other payables	IV.33	5,285,014	5,286,952
Provisions	IV.34	875,498	761,052
Current portion of non-current liabilities	IV.35	4,765,523	4,052,854
Other current liabilities	IV.36	–	2,452,511
Total current liabilities		45,921,237	43,340,077
Non-current liabilities:			
Financial liabilities at fair value through profit or loss	IV.25	55,471	73,884
Long-term borrowings	IV.37	23,684,838	11,110,296
Debentures payables	IV.38	–	4,455,080
Long-term payables	IV.39	550,136	672,562
Payables for specific projects	IV.40	5,834	4,945
Deferred income	IV.41	511,662	467,623
Deferred tax liabilities	IV.20	467,482	369,599
Other non-current liabilities	IV.42	71,635	–
Total non-current liabilities		25,347,058	17,153,989
Total liabilities		71,268,295	60,494,066
Shareholders' equity			
Share capital	IV.43	2,977,820	2,672,629
Other equity instruments	IV.44	2,033,043	–
Capital surplus	IV.45	3,181,863	686,506
Other comprehensive income	IV.46	(518,130)	(847,187)
Surplus reserve	IV.47	3,203,578	3,126,406
Undistributed profits	IV.48	17,663,145	16,651,960
Total equity attributable to shareholders and other equity holders of the Company		28,541,319	22,290,314
Minority interests		6,953,557	4,991,801
Total equity		35,494,876	27,282,115
Total liabilities and shareholders' equity		106,763,171	87,776,181

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

Legal representative's
authorised person: Mai Boliang

The person in charge of
accounting affairs: Jin Jianlong

The head of the accounting
department: Jin Jianlong

Chapter XIII | Financial Statements Prepared in Accordance with CASBE

As at 31 December 2015
(All amounts in RMB'000 unless otherwise stated)
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Balance Sheet

	Note	31 December 2015	31 December 2014
ASSETS			
Current assets:			
Cash at bank and on hand	XVI.1	1,597,446	1,775,649
Financial assets at fair value through profit or loss	XVI.2	–	234,524
Dividends receivable	XVI.3	4,604,445	4,270,305
Other receivables	XVI.4	12,363,102	7,217,674
Other current assets		16,264	12,183
Total current assets		18,581,257	13,510,335
Non-current assets:			
Available-for-sale financial assets	XVI.5	388,905	388,905
Long-term equity investments	XVI.6	8,509,530	8,430,444
Fixed assets		106,808	119,157
Construction in progress		4,031	1,236
Intangible assets		14,724	14,983
Long-term prepaid expenses		14,782	19,831
Deferred tax assets	XVI.15	216,448	200,402
Total non-current assets		9,255,228	9,174,958
TOTAL ASSETS		27,836,485	22,685,293

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As at 31 December 2015
(All amounts in RMB'000 unless otherwise stated)
(English Translation for Reference Only)

	Note	31 December 2015	31 December 2014
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Accounts payable		15,837	–
Advances from customers		–	62,282
Employee benefits payable	XVI.8	851,536	861,648
Taxes payable	XVI.9	12,820	7,311
Interest payable	XVI.10	129,200	182,624
Other payables	XVI.11	7,583,245	6,537,219
Current portion of non-current liabilities	XVI.12	4,059,881	2,576,000
Total current liabilities		12,652,519	10,227,084
Non-current liabilities:			
Financial liabilities at fair value through profit or loss	XVI.7	14,256	21,307
Long-term borrowings	XVI.13	2,215,000	861,000
Debentures payable	XVI.14	–	3,996,080
Deferred income		13,800	13,000
Total non-current liabilities		2,243,056	4,891,387
Total liabilities		14,895,575	15,118,471
Shareholders' equity			
Share capital	IV.43	2,977,820	2,672,629
Other equity instruments	IV.44	2,033,043	–
Capital surplus	XVI.16	3,279,575	129,788
Other comprehensive income	XVI.17	43,754	43,754
Surplus reserve	IV.47	3,203,578	3,126,406
Undistributed profits	XVI.18	1,403,140	1,594,245
Total equity attributable to shareholders and other equity holders		12,940,910	7,566,822
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		27,836,485	22,685,293

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

Legal representative's
authorised person: Mai Boliang

The person in charge of
accounting affairs: Jin Jianlong

The head of the accounting
department: Jin Jianlong

Chapter XIII | Financial Statements Prepared in Accordance with CASBE

For the year ended 31 December 2015
(All amounts in Rmb'000 unless otherwise stated)
(English Translation for Reference Only)

Consolidated Income Statement

	Note	2015	2014
I. Revenue	IV.49	58,685,804	70,070,855
Less: Cost of sales	IV.49	48,081,243	58,769,023
Taxes and surcharges	IV.50	433,030	403,105
Selling and distribution expenses	IV.51	2,574,916	2,348,229
General and administrative expenses	IV.52	4,146,983	4,656,475
Financial expenses-net	IV.53	627,801	519,187
Asset impairment losses	IV.57	551,170	284,138
Add: Profit/(loss) from changes in fair value	IV.55	(103,031)	(228,725)
Investment Income	IV.56	776,106	435,901
Including: Share of profit of associates and joint ventures		241,649	59,124
II. Operating profit		2,943,736	3,297,874
Add: Non-operating income	IV.58	436,200	389,679
Including: Gains on disposal of non-current assets		33,876	21,081
Less: Non-operating expenses	IV.59	173,584	117,137
Including: Losses on disposal of non-current assets		51,464	54,291
III. Total profit		3,206,352	3,570,416
Less: Income tax expenses	IV.60	934,391	536,488
IV. Net profit		2,271,961	3,033,928
Attributable to shareholders and other equity holders of the Company		1,974,005	2,477,802
Minority interests		297,956	556,126
V. Other comprehensive income/(loss), net of tax	IV.46	319,418	(181,650)
Attributable to shareholders and other equity holders of the Company		329,057	(186,399)
Items that may be reclassified subsequently to profit or loss		329,057	(186,399)
Change in value of available-for-sale financial assets-after tax		(5,172)	(858)
Gain/(loss) of cash flow hedges-after tax		1,138	(14,540)
Currency translation differences		333,091	(171,001)
Minority interests		(9,639)	4,749
VI. Total comprehensive income		2,591,379	2,852,278
Attributable to shareholders and other equity holders of the Company		2,303,062	2,291,403
Minority interests		288,317	560,875
VII. Earnings per share			
Basic earnings per share (RMB)	IV.61	0.72	0.93
Diluted earnings per share (RMB)	IV.61	0.71	0.92

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

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Chapter XIII | Financial Statements Prepared in Accordance with CASBE

For the year ended 31 December 2015
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Income Statement

	Note	2015	2014
I. Revenue	XVI.19	298,919	289,577
Less: Cost of sales	XVI.19	40,576	–
Taxes and surcharges		33,661	28,809
General and administrative expenses		235,671	319,002
Financial expenses-net		(19,667)	243,842
Add: Profit from changes in fair value	XVI.20	7,051	64,140
Investment income	XVI.21	700,870	1,185,375
II. Operating profit		716,599	947,439
Add: Non-operating income	XVI.22	40,432	79,882
Including: Gains on disposal of non-current assets		–	–
Less: Non-operating expenses		1,362	1,372
Including: Losses on disposal of non-current assets		62	48
III. Total profit		755,669	1,025,949
Less: Income tax (Income)/expenses	XVI.23	(16,046)	14,627
IV. Net profit		771,715	1,011,322
V. Other comprehensive income, net of tax	XVI.17	–	–
VI. Total comprehensive income		771,715	1,011,322

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

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Chapter XIII | Financial Statements Prepared in Accordance with CASBE

For the year ended 31 December 2015
(All amounts in Rmb'000 unless otherwise stated)
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Consolidated Cash Flow Statement

	Note	2015	2014
I. Cash flows from operating activities:			
Cash received from sales of goods or rendering of services		54,618,350	72,746,712
Refund of taxes and surcharges		2,211,257	1,792,528
Cash received relating to other operating activities	IV.62(1)	491,195	533,308
Sub-total of cash inflows		57,371,046	75,072,548
Cash paid for goods and services		48,172,223	56,000,161
Cash paid to and on behalf of employees		6,275,514	6,326,378
Payments of taxes and surcharges		1,611,817	1,717,966
Cash paid relating to other operating activities	IV.62(2)	4,871,471	4,593,566
Sub-total of cash outflows		60,931,025	68,638,071
Net cash inflows from operating activities	IV.63(1)	(3,610,223)	6,434,477
II. Cash flows from investing activities:			
Cash received from disposal of investments		480,195	351,510
Cash received from returns on investments		14,086	178,085
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		775,681	904,582
Net cash received to acquire subsidiaries and other business units		–	178,611
Cash received related to other investing activities	IV.62(3)	42,884	263,423
Sub-total of cash inflows		1,312,846	1,876,211
Cash paid to acquire fixed assets intangible assets and other long-term assets		12,346,982	12,873,151
Cash paid to acquire investments		1,379,263	556,842
Net cash paid to acquire subsidiaries and other business units		171,382	–
Sub-total of cash outflows		13,897,627	13,429,993
Net cash outflows from investing activities		(12,584,781)	(11,553,782)

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For the year ended 31 December 2015
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	Note	2015	2014
III. Cash flows from financing activities			
Cash received from capital contributions		3,732,151	204,645
Including: Cash received from capital contributions by minority shareholders of subsidiaries		284,172	89,900
Cash received from issuing perpetual bonds		1,981,143	–
Cash received from borrowings		58,969,912	33,241,336
Cash received relating to other financing activities	IV.62(4)	260,993	14,740
Sub-total of cash inflows		64,944,199	33,460,721
Cash repayments of borrowings		45,955,221	27,120,243
Cash payments for interest expenses and distribution of dividends or profits		2,405,885	2,219,971
Including: Cash payments for dividends or profit to minority shareholders of subsidiaries		107,638	308,158
Cash payments relating to other financing activities	IV.62(5)	77,430	179,521
Sub-total of cash outflows		48,438,536	29,519,735
Net cash inflows from financing activities		16,505,663	3,940,986
IV. Effect of foreign exchange rate changes on cash and cash equivalents		13,213	(67,926)
V. Increase/(decrease) in cash and cash equivalents	IV.63(1)	323,872	(1,246,245)
Add: Cash and cash equivalents at beginning of year		2,935,251	4,181,496
VI. Cash and cash equivalents at end of year	IV.63(3)	3,259,123	2,935,251

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

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For the year ended 31 December 2015
(All amounts in Rmb'000 unless otherwise stated)
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Cash Flow Statement

	Note	2015	2014
I. Cash flows from operating activities:			
Cash received from sales of goods or rendering of services		298,919	351,858
Cash received relating to other operating activities		1,165,577	5,673,314
Sub-total of cash inflows		1,464,496	6,025,172
Cash paid for goods and services		24,739	–
Cash paid to and on behalf of employees		114,728	110,300
Payments of taxes and surcharges		31,121	32,773
Cash paid relating to other operating activities		4,926,813	156,984
Sub-total of cash outflows		5,097,401	300,057
Net cash outflows from operating activities	XVI.24	(3,632,905)	5,725,115
II. Cash flows from investing activities:			
Cash received from disposal of investments		155,490	–
Cash received from returns on investments		568,911	236,183
Net cash received from disposal of fixed assets		1,307	91
Cash received from disposal of subsidiaries		299,624	–
Sub-total of cash inflows		1,025,332	236,274
Cash paid to acquire fixed assets, intangible assets and other long-term assets		7,671	27,246
Cash paid to acquire investments		–	6,368
Net cash paid to acquire subsidiaries and other business units		620,000	1,979,000
Cash payments relating to other investing activities		–	942,000
Sub-total of cash outflows		627,671	2,954,614
Net cash inflows from investing activities		397,661	(2,718,340)
III. Cash flows from financing activities			
Cash received from borrowings		1,415,000	800,000
Cash received from issuing perpetual bonds		1,981,143	–
Cash received from capital contributions		3,447,979	114,745
Sub-total of cash inflows		6,844,122	914,745
Cash repayments of borrowings		2,576,000	2,335,000
Cash payments for interest expenses and distribution of dividends or profits		1,197,902	1,141,954
Cash payments relating to other financing activities		13,837	–
Sub-total of cash outflows		3,787,739	3,476,954
Net cash inflows from financing activities		3,056,383	(2,562,209)
IV. Effect of foreign exchange rate changes on cash and cash equivalents		514	(86)
V. Net increase/(decrease) in cash and cash equivalents	XVI.24	(178,347)	444,480
Add: Cash and cash equivalents at beginning of year		831,212	386,732
VI. Cash and cash equivalents at end of year	XVI.24	652,865	831,212

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Chapter XIII | Financial Statements Prepared in Accordance with CASBE

For the year ended 31 December 2015
(All amounts in Rmb'000 unless otherwise stated)
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Consolidated Statement of Changes in Shareholders' Equity

Item	Note	2015										2014								
		Attributable to shareholders and other equity holders of the Company					Attributable to shareholders of the Company					Attributable to shareholders of the Company								
		Share capital	Other equity instruments	Capital surplus	Other comprehensive income	Total	Share capital	Surplus reserve	Undistributed profits	Minority interest	Total shareholders' equity	State capital	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits	Currency translation differences	Minority interest	Total shareholders' equity	
I. Balance at 31 December 2014		2,672,629	-	686,506	(847,187)	27,282,115	2,662,396	14,899,313	707,700	-	3,121,288	716,660	3,822,091	24,496,128						
Acc. changes in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Balance on 1 January 2015		2,672,629	-	686,506	(847,187)	27,282,115	2,662,396	14,899,313	(55,872)	(660,788)	3,121,288	716,660	3,822,091	24,496,128						
III. Movements for the year		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(I) Total comprehensive income		-	51,900	-	-	2,271,961	-	1,922,105	297,956	2,271,961	-	-	2,477,802	3,033,928						
1. Net profit		-	-	-	-	319,418	-	-	(9,639)	319,418	-	-	4,749	(181,650)						
2. Other comprehensive income	IV46	-	51,900	-	329,057	2,991,379	-	1,922,105	288,317	2,991,379	-	(186,399)	2,477,802	3,033,928						
Sub-total of I&2		-	51,900	-	329,057	2,991,379	-	1,922,105	288,317	2,991,379	-	(186,399)	2,477,802	2,852,278						
(II) Capital contribution and withdrawal by owners		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Contributions by owner	IV43	286,096	-	2,941,543	-	3,227,639	-	-	-	3,227,639	-	-	-	-	-	-	-	-	-	-
2. Increase in capital surplus resulted from share option exercised by company	IV43	19,095	-	201,245	-	220,340	10,233	-	-	104,512	-	-	-	114,745						
3. Contributions by minority Shareholders		-	-	106,284	-	1,584,802	-	-	1,478,518	1,584,802	-	-	-	89,900						
4. Increase in minority interests resulted from acquisition or establishment of subsidiary		-	-	-	-	168,598	-	-	168,598	168,598	-	(51,925)	-	678,668						
5. Decrease in capital surplus resulted from acquisition of minority interest	IV45	-	-	(4)	-	(77,426)	-	-	(77,426)	(77,426)	(114,093)	-	(65,428)	(179,521)						
6. Disposal of subsidiaries (without loss control)	IV45	-	-	441,939	-	631,961	-	-	190,022	631,961	-	-	-	-						
7. Disposal of subsidiaries (lose control)		-	-	-	-	-	-	-	-	-	-	-	(1,634)	(1,634)						
8. Increase in capital surplus resulted from share option exercised by subsidiary	IV45	-	-	(1,876)	-	11,398	-	-	13,274	11,398	10,972	-	3,259	14,231						
9. Increase in shareholders' equity resulted from share-based payments	IX2	-	-	46,218	-	62,370	-	-	16,152	62,370	85,212	-	10,379	95,591						
10. Issuing of other equity instruments	IV44	-	1,981,143	-	-	1,981,143	-	-	-	1,981,143	-	-	-	-						
11. Redemption right granted to minority Shareholders	IV45	-	-	(1,249,826)	-	(1,249,826)	-	-	-	(1,249,826)	-	-	-	-						
12. Others	IV45	-	-	9,834	-	9,834	-	-	-	9,834	-	-	-	-						
(III) Profit distribution		-	-	-	-	-	-	-	-	-	-	-	-	-						
1. Appropriation to surplus reserves	IV47	-	-	-	-	(949,447)	-	-	(115,699)	(949,447)	-	-	(5,118)	(878,271)						
2. Profit distribution to shareholders	IV48	-	-	-	-	(833,748)	-	-	(833,748)	(833,748)	-	-	(720,037)	(1,553,785)						
IV. Balance at 31 December 2015		2,977,820	2,033,043	3,181,863	(518,130)	35,494,876	2,672,629	17,663,145	6,953,557	35,494,876	16,651,960	(847,187)	16,651,960	27,282,115						

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

Legal representative's authorised person:
Mai Boliang

The person in charge of accounting affairs:
Jin Jianlong

The head of the accounting department:
Jin Jianlong

Chapter XIII | Financial Statements Prepared in Accordance with CASBE

Statement of Changes in Shareholders' Equity

Item	Note	2015						2014						
		Share capital	Other equity instruments	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits	Total shareholders' equity	Share capital	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits	Total shareholders' equity
I. Balance at 31 December 2014		2,672,629	-	129,788	43,754	3,126,406	1,594,245	7,566,822	2,662,396	8,480	-	3,121,288	1,308,078	7,100,242
Add: changes in accounting policies		-	-	-	-	-	-	-	(43,754)	43,754	-	-	-	-
II. Balance on 1 January 2015		2,672,629	-	129,788	43,754	3,126,406	1,594,245	7,566,822	2,662,396	(35,274)	43,754	3,121,288	1,308,078	7,100,242
III. Movements for the year														
(I) Total comprehensive income														
1. Net profit		-	51,900	-	-	-	719,815	771,715	-	-	-	-	1,011,322	1,011,322
2. Other comprehensive income	XVI.17	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total of I&2		-	51,900	-	-	-	719,815	771,715	-	-	-	-	1,011,322	1,011,322
(II) Capital contribution and withdrawal by owners														
1. Contributions by owner	IV.43	286,096	-	2,941,543	-	-	-	3,227,639	-	-	-	-	-	-
2. Increase in shareholders' equity resulted from share-based payment	IX.2	-	-	6,999	-	-	-	6,999	-	60,550	-	-	-	60,550
3. Increase in capital surplus resulted from share option exercised by company	IV.43	19,095	-	201,245	-	-	-	220,340	10,233	104,512	-	-	-	114,745
4. Issuing of other equity instruments	IV.44	-	1,981,143	-	-	-	-	1,981,143	-	-	-	-	-	-
(III) Profit distribution														
1. Appropriation to surplus reserves	IV.47	-	-	-	-	77,172	(77,172)	-	-	-	-	5,118	(5,118)	-
2. Profit distribution to shareholders	IV.48	-	-	-	-	-	(833,748)	(833,748)	-	-	-	-	(720,037)	(720,037)
IV. Balance at 31 December 2015		2,977,820	2,033,043	3,279,575	43,754	3,203,578	1,403,140	12,940,910	2,672,629	129,788	43,754	3,126,406	1,594,245	7,566,822

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

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For the year ended 31 December 2015
(All amounts in Rmb'000 unless otherwise stated)
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For the year ended 31 December 2015
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Notes to the Financial Statements

I. GENERAL INFORMATION

China International Marine Containers (Group) Co., Ltd. (the "Company"), formerly "China International Marine Containers Co., Ltd.", was a Sino-foreign joint venture set up by China Merchants Group, the East Asiatic Company (Denmark) and Ocean Containers Inc.(USA). In December 1992, as approved by "Shen Fu Ban Fu [1992] 1736" issued by the General Office of the People's Government of Shenzhen and "Shen Ren Yin Fu Zi (1992) 261" issued by Shenzhen Special Economic Zone Branch of People's Bank of China, the Company was restructured as an incorporated company set up by directional subscription and was renamed as "China International Marine Containers Co., Ltd." by the original corporate shareholders of the Company. On 31 December 1993 and 17 January 1994 respectively, the Company issued ordinary shares denominated in Renminbi for domestic investors (A Shares) and for foreign shares issued domestically (B Shares), and commenced trading on Shenzhen Stock Exchange. Pursuant to "Shen Fu Ban Fu [1993] 925" issued by the General Office of the People's Government of Shenzhen and "Shen Zheng Ban Fu [1994] 22" issued by Shenzhen Securities Administration Office On 1 December 1995, as approved by the State Administration of Industry and Commerce, the Company changed its name to "China International Marine Containers (Group) Co., Ltd.". The Registered Address and Address of Head Office of the company is 8th Floor, CIMC R&D Centre, 2 Gangwan Avenue, Shekou, Nanshan District, Shenzhen, Guangdong, PRC.

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

As at 31 December 2015, the company has settled the equity private placement with 286,096,100 H shares to COSCO Container Industries Co., Ltd., Broad Ride Limited and promotor Holdings Limited, the price of this private placement is HKD13.48 each share (equivalent to RMB11.28), the overall funding raised is HKD3,856,575,000 (equivalent to RMB3,227,639,000), and all funding has been collected before 31 December 2015. Please refer to Note IV.43 for details of the share capital.

The principal activities of the Company and its subsidiaries (together referred to as the "Group") are the manufacturing of modern transportation facilities, facilities for energy, food, chemistry and rendering of relative services. Detailed activities are the manufacturing and repairing of containers and other relevant business; utilizing the Group's equipment to process and manufacture various parts, structure components and relevant machines; providing cutting, punching, moulding, riveting surface treatment (including sand/paint spraying, welding and assembly) and other processing services; developing, manufacturing and selling of various high-tech and high performance special vehicles and semi-trailers; leasing of containers; developing, production and sales of high-end fuel gas equipments such as pressure container and compressor; providing integrated services for natural gas distribution; production of static container and pot-type wharf equipments and providing EP+CS (engineering procurement and construction supervision) technical service for the storage and processing of LNG, LPG and other petrochemical gases. Apart from the above, the Group is also engaged in manufacturing of logistic equipment and related services, marine projects, railway trucks production and property development, etc.

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I. GENERAL INFORMATION (CONTINUED)

CIMC Enric Holdings Limited, the subsidiary of the Group, is listed in the Main Board of the Stock Exchange of Hong Kong Limited. The principal activities of Enric are the design, development, manufacturing, engineering and sales of, and the provision of technical maintenance service for, a wide spectrum of transportation, storage and processing equipment that is widely used in energy, chemical and liquid food industries.

Pteris Global Limited, the subsidiary of the Group, is listed on the mainboard of the Catalist of Singapore Exchange Ltd. The principal activities of the Pteris Global Ltd are electrical products used in airports and ports, automatic parking system and equipment, automation logistics warehousing system and equipment, airport equipment (aviation food vehicles, self-propelled aircraft deicing vehicle, anti ice, container, pallet loaders, spreading vehicle, snowplows, friction coefficient test vehicle), installation and after sale service of self-produced products and agents product and provide parking management services.

Please refer to Note VI for details of subsidiaries included in the scope of consolidation and also refer to Note V.1 for the details of subsidiaries newly included in the scope of consolidation. Please refer to Note V.2 for the details of subsidiaries excluded from the scope of consolidation.

This financial statements have been approved for announcement by the Company's Board of Directors on 28 March 2016.

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

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

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

1. Basis of preparation

The financial statements were prepared in accordance with the Basic Standard and specific standards of the Accounting Standards for Business Enterprises issued by the Ministry of Finance on 15 February 2006, the Application Guidance for Accounting Standards for Business Enterprises, the Interpretations of Accounting Standards for Business Enterprises and other relevant regulations issued (hereafter collectively referred to as 'the Accounting Standards for Business Enterprises' or 'CAS') and the disclosure requirements in the Preparation Convention of Information Disclosure by Companies Offering Securities to the Public No.15 – General Rules on Financial Reporting (2010 revised) issued by the China Securities Regulatory Commission.

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For the year ended 31 December 2015
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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

1. Basis of preparation (Continued)

The financial statements are prepared on a going concern basis.

The new “Companies Ordinance” of Hong Kong has commenced operation in 2015. Some notes in this financial statement have been adjusted according to requirements the ordinance.

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

The financial statements of the Company for the year ended 31 December 2015 are in compliance with the Accounting Standards for Business Enterprises, and truly and completely present the financial position of the Consolidated and the Company as of 31 December 2015 and of their financial performance, cash flows and other information for the year then ended.

3. Accounting year

The Company’s accounting year starts from 1 January to 31 December.

4. Recording currency

Functional currency is determined by the Company and its subsidiaries on the basis of the currency in which major income and costs are denominated and settled.

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

Financial statements of the Company are presented in Renminbi. For subsidiaries using currencies other than Renminbi as their functional currencies, the Company translates the financial statements of these subsidiaries into Renminbi (see Note II.8).

5. Business combinations

(1) Business combinations involving enterprises under common control

A business combination involving enterprises under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The assets and liabilities obtained are measured at the carrying amounts as recorded by the enterprise being combined at the combination date. The difference between the carrying amount of the net assets obtained and the carrying amount of consideration paid for the combination (or the total face value of shares issued) is adjusted to capital premium in the capital reserve. If the balance of the capital premium is insufficient, any excess is adjusted to retained earnings. Any costs directly attributable to the combination shall be recognised in profit or loss for the current period when occurred. The combination date is the date on which one combining enterprise effectively obtains control of the other combining enterprises.

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5. Business combinations (Continued)

(2) Business combinations involving enterprises not under common control

A business combination involving enterprises not under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties both before and after the business combination.

Where 1) the aggregate of the fair value at the acquisition date of assets transferred (including the acquirer's previously held equity interest in the acquiree), liabilities incurred or assumed, and equity securities issued by the acquirer, in exchange for control of the acquiree, exceeds 2) the acquirer's interest in the fair value at the acquisition date of the acquiree's identifiable net assets, the difference is recognised as goodwill (see Note II.18). When 1) is less than 2), the difference is recognised in profit or loss for the current period. The costs of the issuance of equity or debt securities as a part of the consideration paid for the acquisition are included as a part of initial recognition amount of the equity or debt securities. Other direct acquisition-related costs arising from the business combination are recognised as expenses in the periods in which the costs are incurred. The difference between the fair value and the carrying amount of the assets transferred is recognised in profit or loss. The acquiree's identifiable asset, liabilities and contingent liabilities, if satisfying the recognition criteria, are recognised by the Group at their fair value at the acquisition date. The acquisition date is the date on which the acquirer effectively obtains control of the acquiree.

6. Preparation of consolidated financial statements

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

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

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

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6. Preparation of consolidated financial statements (Continued)

For a business combination not involving enterprises under common control and achieved in stages, the Group remeasures its previously-held equity interest in the acquiree to its fair value at the acquisition date. The difference between the fair value and the carrying amount is recognised as investment income for the current period; the amount recognised in other comprehensive income relating to the previously-held equity interest in the acquiree is reclassified as investment income for the current period.

Where the Company acquires a minority interest from a subsidiary's minority shareholders or disposes of a portion of an interest in a subsidiary without a change in control, the difference between the amount by which the minority interests are adjusted and the amount of the consideration paid or received is adjusted to the capital reserve (capital surplus) in the consolidated balance sheet. If the credit balance of capital reserve (capital surplus) is insufficient, any excess is adjusted to retained earnings.

When the Group loses control of a subsidiary due to the disposal of a portion of an equity investment, the Group derecognises assets, liabilities, minority interests and other related items in owners' equity in relation to that subsidiary. The remaining equity investment is remeasured at its fair value at the date when control is lost. Any gains or losses therefore incurred are recognised as investment income for the current period when control is lost.

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

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

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

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

6. Preparation of consolidated financial statements (Continued)

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

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

7. Cash and cash equivalents

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

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

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

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

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

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

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

9. Financial instruments

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

(1) Financial Assets

(a) *Classification of financial assets*

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

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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)*

- a. Financial assets at fair value through profit or loss

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

- b. Receivables

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

- c. Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

(b) *Recognition and measurement*

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

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

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

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9. Financial instruments (Continued)

(1) Financial Assets (Continued)

(b) *Recognition and measurement (Continued)*

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

(c) *Impairment of financial assets*

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

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

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

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

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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 (Continued)*

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

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

Finance lease receivables are regarded as ordinary receivables when derecognised and impaired.

(d) *Derecognition of financial assets*

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

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

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

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9. Financial instruments (Continued)

(2) Financial liabilities

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

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

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

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

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

(3) Determination of fair value

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

(4) Equity instrument

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

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

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

9. Financial instruments (Continued)

(4) Equity instrument (Continued)

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

10. Receivables

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

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

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

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

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

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

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

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

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

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

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

10. Receivables (Continued)

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

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

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

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

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

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

For receivables that have not been individually assessed as impaired in (1) and (2), further assessment is made collectively on a group basis with receivables that share similar credit risk characteristics.

Determination method of the group based on credit risk characteristics

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

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

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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)

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

Containers	Provision is determined based on an aging analysis (Overdue aging)
Road transportation vehicles	Provision is determined based on an aging analysis (Overdue aging)
Energy, chemical and liquid food equipment	Provision is determined based on an aging analysis (Overdue aging)
Airport facilities	Provision is determined based on an aging analysis (Overdue aging)
Logistics services	Provision is determined based on an aging analysis (Overdue aging)
Heavy truck	Provision is determined based on an aging analysis (Overdue aging)
Other business	Provision is determined based on an aging analysis (Overdue aging)
Finance lease receivables	Provision is determined based on model analysis

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

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

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

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

11. Inventories

(1) Classification

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

(2) Cost of inventories

Cost of inventories is calculated using the weighted average method.

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

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

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

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

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

(4) Inventory system

The Group maintains a perpetual inventory system.

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

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

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

12. Long-term equity investments

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

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

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

(1) Determination of investment cost

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

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

(2) Subsequent measurement

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

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

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

12. Long-term equity investments (Continued)

(2) Subsequent measurement (Continued)

For long-term equity investments accounted for using the equity method, the Group recognises the investment income according to its share of net profit or loss of the investee. If the accounting policies and the accounting periods are inconsistent between the Company and investees, the financial statements of investees are adjusted in accordance with the accounting policies and accounting period of the Company. The Group discontinues recognising its share of net losses of an investee after the carrying amount of the long-term equity investment together with any long-term interests that, in substance, form part of the investor's net investment in the investee are reduced to zero. However, if the Group has obligations for additional losses and the criteria with respect to recognition of provisions under the accounting standards on contingencies are satisfied, the Group continues recognising the investment losses and the provisions. For changes in owners' equity of the investee other than those arising from its net profit or loss, the Group records its proportionate share directly into capital surplus, provided that the Group's proportion of shareholding in the investee remains unchanged. The carrying amount of the investment is reduced by the Group's share of the profit distribution or cash dividends declared by an investee. The unrealised profits or losses arising from the intra-group transactions amongst the Group and its investees are eliminated in proportion to the Group's equity interest in the investees, and then based on which the investment gains or losses are recognised. For the loss on the intra-group transaction amongst the Group and its investees attributable to asset impairment, any unrealised loss is not eliminated.

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

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

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

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

(4) Method of impairment testing and measuring

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

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

13. Investment properties

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

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

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

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

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

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

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14. Fixed assets

(1) Recognition

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

The cost of a purchased fixed asset comprises the purchase price, related taxes, and any directly attributable expenditure for bringing the asset to working condition for its intended use. The cost of self-constructed assets is measured in accordance with the policy set out in Note II.15.

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

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

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

(2) Depreciation

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

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

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

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

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14. Fixed assets (Continued)

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

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

(5) Disposal

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

15. Construction in progress

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

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

16. Borrowing costs

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

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

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

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

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

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16. Borrowing costs (Continued)

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

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

17. Intangible assets

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

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

	Amortisation periods (years)
Land use rights	20-50
Maritime space use rights	40-50
Technological know-how and trademarks	5-10
Timber concession rights	20
Customer relationships	3-8
Customer contracts	3-4
Franchise rights	10-18

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

An intangible asset is regarded as having an indefinite useful life and is not amortised when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group. At balance sheet date, an impairment test will be conducted.

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17. Intangible assets (Continued)

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

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

Expenditure on the research phase, such as expenditure on planned research, assessment and selection for manufacturing technique, is recognised in profit or loss in the period in which it is incurred. Before mass production, expenditure on the development phase, such as expenditure on design and test for finalized application, is capitalised only if all of the following conditions are satisfied:

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

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

18. Goodwill

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

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

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19. Long-term prepaid expenses

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

The amortization periods for expensed are as follows:

Item	Amortisation period(years)
Rental	2-10
Others	5-10

20. Impairment of long-term assets

Fixed assets, construction in progress, intangible assets with finite useful lives, investment properties measured using the cost model and long-term equity investments in subsidiaries, joint ventures and associates are tested for impairment if there is any indication that the assets may be impaired at the balance sheet date. If the result of the impairment test indicates that the recoverable amount of an asset is less than its carrying amount, a provision for impairment and an impairment loss are recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. Provision for asset impairment is determined and recognised on the individual asset basis. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of a group of assets to which the asset belongs is determined. A group of assets is the smallest group of assets that is able to generate independent cash inflows.

Goodwill that is separately presented in the financial statements is tested at least annually for impairment, irrespective of whether there is any indication that it may be impaired. In conducting the test, the carrying value of goodwill is allocated to the related asset groups or combination of asset groups which are expected to benefit from the synergies of the business combination. If the result of the test indicates that the recoverable amount of an asset group or combination of asset groups, including the allocated goodwill, is lower than its carrying amount, the corresponding impairment loss is recognised. The impairment loss is first deducted from the carrying amount of goodwill that is allocated to the asset group or combination of asset groups, and then deducted from the carrying amounts of other assets within the asset groups or combination of asset groups in proportion to the carrying amounts of assets other than goodwill.

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

21. Provisions and contingent liabilities

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

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21. Provisions and contingent liabilities (Continued)

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

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

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

22. Share-based payments

(1) Classification

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

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

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

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

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

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22. Share-based payments (Continued)

(4) Accounting treatment for share-based payment

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

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

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

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

23. Revenue recognition

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

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23. Revenue recognition (Continued)

(1) Sale of goods

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

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

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

a. Containers and airport facilities sales revenue

The Group recognises revenue after receive acceptance certificates from customers.

b. Road transportation vehicles and heavy truck sales revenue

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

c. Real estate sales revenue

The Group recognises revenue when the purchase and sell agreement is performed. When the property is sold in advance before completion, the revenue is recognised only when the construction is completed and delivered to the buyer. The deposits and installment received before revenue recognition are regarded as advance from customers.

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23. Revenue recognition (Continued)

(2) Revenue from construction contracts

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

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

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

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

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

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

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

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

(3) Rendering of services

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

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

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23. Revenue recognition (Continued)

(3) Rendering of services (Continued)

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

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

24. Employee benefits

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

(1) short-term wages

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

(2) pension benefits

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

– Basic pension insurance

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

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24. Employee benefits (Continued)

(3) Enterprise annuities plan

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

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

25. Government grants

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

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

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

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

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

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

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26. Deferred tax assets and deferred tax liabilities

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

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

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

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

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

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

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

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27. Operating and finance leases

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

(1) Assets acquired under operating leases

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

(2) Assets leased out under operating leases

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

(3) Assets acquired under finance leases

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

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

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

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

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27. Operating and finance leases (Continued)

(4) Assets leased out under finance leases

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

Unearned finance income is allocated to each accounting period during the lease term using the effective interest method. At the balance sheet date, finance lease receivables, net of unearned finance income, are presented as long-term receivables or non-current assets due within one year, respectively in the balance sheet. Please refer to Notes II.9 for accounting policy on the derecognition and impairment of finance lease receivables.

28. Assets held for sale and discontinued operation

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

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

Non-current assets held for sale (excluding financial assets, investment property measured at fair value and deferred tax assets) are stated at the lower of carrying amount and net realisable value. Any excess of the carrying amount over the net realisable value is recognised as impairment loss.

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

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

- (a) This component of the business represents a separate major line of business or geographic area of operations;

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

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

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

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

29. Hedge accounting

Hedge accounting is a method which recognises the offsetting effects of fair value and cash flow of the hedging instruments and the hedged items on current profit or loss in the same accounting period(s).

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

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

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

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

Cash flow hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows. The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in shareholders' equity as a separate component. That effective portion is adjusted to the lesser of the following in absolute amounts:

- the cumulative gain or loss on the hedging instrument from inception of the hedge;
- The cumulative change in present value of the expected future cash flows on the hedged item from inception of the hedge.

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29. Hedge accounting (Continued)

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

If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the associated gain or loss is removed from shareholders' equity and recognised in profit or loss in the same period during which the financial asset or financial liability affects profit or loss. However, if the Group expects that all or a portion of a net loss recognised directly in shareholders' equity will not be recovered in future accounting periods, it reclassifies into profit or loss the amount that is not expected to be recovered.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gain or loss is removed from equity and recognised in profit or loss in the same period during which the financial asset or financial liability affects profit or loss. However, if the Group expects that all or a portion of a net loss recognised directly in shareholders' equity will not be recovered in future accounting periods, it reclassifies into profit or loss the amount that is not expected to be recovered.

For cash flow hedges, other than those covered by the preceding two policy statements, the associated gain or loss is removed from shareholders' equity and recognised in profit or loss in the same period or periods during which the hedged forecast transaction affects profit or loss.

When a hedging instrument expires or is sold, terminated or exercised, or the hedge no longer meets the criteria for hedge accounting, the Group will discontinue the hedge accounting treatments prospectively. In this case, the gain or loss on the hedging instrument that remains recognised directly in shareholders' equity from the period when the hedge was effective shall not be reclassified into profit or loss and is recognised in accordance with the above policy when the forecast transaction occurs. If the forecast transaction is no longer expected to occur, the gain or loss on the hedging instrument that remains recognised directly in shareholders' equity from the period when the hedge was effective shall be reclassified into profit or loss immediately.

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

30. Dividend distribution

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

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

31. Related parties

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

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

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

31. Related parties (Continued)

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

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

32. Segment reporting

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

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

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

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

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

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

33. Critical accounting estimates and judgements

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

Notes IV.18, IX and XIV contain information about the assumptions and their risk factors relating to impairment of goodwill, share-based payments and fair value of financial instruments. Other key sources of estimation uncertainty are as follows:

(1) Impairment of receivables

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

(2) Provision for diminution in value of inventories

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

(3) Impairment of long-term assets

As described in Note II.20, assets such as fixed assets, intangible assets and investment properties, excluding inventories and financial asset, are reviewed at each balance sheet date to determine whether the carrying amount exceeds the recoverable amount of the assets. If any such indication exists, an impairment loss is recognised.

The recoverable amount of an asset (asset group) is the greater of its fair value less costs to sell and its present value of expected future cash flows. Since a market price of the asset (the asset group) cannot be obtained reliably, the fair value of the asset cannot be estimated reliably. In assessing value in use, significant judgements are exercised over the asset's production, selling price, related operating expenses and discounting rate to calculate the present value. All relevant materials which can be obtained are used for estimation of the recoverable amount, including the estimation of the production, selling price and related operating expenses based on reasonable and supportable assumption.

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

33. Critical accounting estimates and judgements (Continued)

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

As described in Note II.13, 14 and 17, investment properties, fixed assets and intangible assets are depreciated and amortised over their useful lives after taking into account residual value. The useful lives of the assets are regularly reviewed to determine the depreciation and amortisation costs charged in each reporting period. The useful lives of the assets are determined based on historical experiences of similar assets and the estimated technical changes. If there have been significant changes in the factors used to determine the depreciation or amortisation, the rate of depreciation or amortisation is revised prospectively.

(5) Warranty provisions

As described in Note IV.34, the Group makes provisions under the warranties it gives on the sale of its products based mainly on the Group's recent claim experience. Because it is possible that the recent claim experience may not be indicative of future claims that the Group will receive in respect of past sales, a considerable level of management's judgement is required and exercised to estimate the provision. Any increase or decrease in the provision will affect profit or loss in future years.

(6) Construction contract

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

(7) Income taxes

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

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

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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 output VAT calculated based on taxable income from sales of goods and rendering of service, after subtracting the deductible input VAT of the period, is VAT payable	6%, 11% and 17%
Business tax	Taxable revenue	5%
Urban maintenance and construction tax	Business tax payable and VAT payable	7%
Income tax	Taxable income	Note1
The Netherlands/Australia service tax rate	Calculated based on revenue arising from sales of goods and rendering of service, less deductible or refundable taxes for purchase of goods	10-19%

- (a) Pursuant to “Circular on the Launch of Pilot for the Change from Business Tax to Value-Added Tax nationwide in the transportation industry and post industry” issued by the Ministry of Finance and the State Administration of Taxation (Cai Shui [2013] No.106), some relevant incomes of the subsidiaries of the Group which operate in modern service industries (including logistics service and logistics support service), financial leasing, container yard service and tangible movable property leasing are applicable to Value-Added Tax (VAT), since 1st January 2014. The VAT rates of modern service industries (including logistics service and logistics support service) and container yard services, financial leasing and tangible movable property leasing, and transportation business are 17%, 6% and 11% respectively.

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

	2015	2014
The Company	25%	25%
Subsidiaries registered in China	15-25%	15-25%
Subsidiaries registered in Hong Kong	16.5%-25%	16.5%-25%
Subsidiaries registered in British Virgin Islands	—	—
Subsidiary registered in Suriname	36%	36%
Subsidiary registered in Cambodia	20%	20%
Subsidiary registered in US	15-35%	15-35%
Subsidiary registered in Germany	15.83-31.6%	15.83-31.6%
Subsidiary registered in Britain	20%	21%
Subsidiary registered in Australia	30%	30%
Subsidiary registered in the Netherlands	25.5%	25.5%
Subsidiary registered in Belgium	34%	34%
Subsidiary registered in Denmark	23.5%	24.5%
Subsidiary registered in Poland	19%	19%
Subsidiary registered in Thailand	20%	20%
Subsidiary registered in Singapore	17%	17%
Subsidiary registered in Sweden	26.3%	26.3%

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III. TAXATION (CONTINUED)

2. Preferential tax treatments

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

	Name of enterprises	Local statutory tax rate	Preferential rate	Reasons
1	Shenzhen CIMC – Tianda Airport Support Co., Ltd.	25%	15%	Continue to be recognised as high-tech enterprises in 2013 entitled to 15% preferential rate
2	Shenzhen CIMC Intelligent Technology Co., Ltd.	25%	15%	Recognised as high-tech enterprises, in 2014 entitled to 15% preferential rate
3	Nantong CIMC Special Transportation Equipment Manufacture Co., Ltd.	25%	15%	Continue to be recognised as high-tech enterprises in 2015 entitled to 15% preferential rate
4	Xinhui CIMC Special Transportation Equipment Co., Ltd.	25%	15%	Continue to be recognised as high-tech enterprises in 2013 entitled to 15% preferential rate
5	Dalian CIMC Logistics Equipment Co., Ltd.	25%	15%	Recognised as high-tech enterprises, in 2014 entitled to 15% preferential rate
6	Shenzhen CIMC Special Vehicle Co., Ltd.	25%	15%	Recognised as high-tech enterprises, in 2014 entitled to 15% preferential rate
7	Yangzhou CIMC Tong Hua Special Vehicles Co., Ltd	25%	15%	Recognised as high-tech enterprises, in 2014 entitled to 15% preferential rate
8	Zhumadian CIMC Huajun Casting Co. Ltd.	25%	15%	Recognised as high-tech enterprises, in 2015 entitled to 15% preferential rate
9	Zhangjiagang CIMC Sanctum Cryogenic Equipment Machinery Co., Ltd.	25%	15%	Recognised as high-tech enterprises, in 2014 entitled to 15% preferential rate
10	Enric (Bengbu) Compressor Co., Ltd.	25%	15%	Continue to be recognised as high-tech enterprises, in 2014 entitled to 15% preferential rate
11	Shijiazhuang Enric Gas Equipment Co., Ltd.	25%	15%	Continue to be recognised as high-tech enterprises, in 2014 entitled to 15% preferential rate

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III. TAXATION (CONTINUED)

2. Preferential tax treatments (Continued)

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

	Name of enterprises	Local statutory tax rate	Preferential rate	Reasons
12	Enric (Langfang) Energy Equipment Integration Co., Ltd.	25%	15%	Continue to be recognised as high-tech enterprises, in 2015 entitled to 15% preferential rate
13	Jingmen Hongtu Special Aircraft Manufacturing Co., Ltd	25%	15%	Continue to be recognised as high-tech enterprises, in 2015 entitled to 15% preferential rate
14	Nantong CIMC Tank Equipment Co., Ltd	25%	15%	Continue to be recognised as high-tech enterprises, in 2015 entitled to 15% preferential rate
15	Yangzhou Tonglee Reefer Container Co., Ltd.	25%	15%	Recognised as high-tech enterprises in 2013 entitled to 15% preferential rate
16	Hunan CIMC Bamboo Industry Development Co., Ltd.	25%	15%	Recognised as high-tech enterprises in 2013 entitled to 15% preferential rate
17	Wuhu CIMC Ruijiang Automobile CO LTD	25%	15%	Recognised as high-tech enterprises in 2013 entitled to 15% preferential rate
18	Luoyang CIMC Lingyu Automobile CO., LTD.	25%	15%	Recognised as high-tech enterprises in 2013 entitled to 15% preferential rate
19	Ziemann Holvrieka Asia Co., Ltd	25%	15%	Recognised as high-tech enterprises in 2013 entitled to 15% preferential rate
20	Xinfa Airport Equipment Ltd.	25%	15%	Recognised as high-tech enterprises in 2013 entitled to 15% preferential rate
21	Nantong CIMC Energy Equipment Co, Ltd	25%	15%	Continue to be recognised as high-tech enterprises, in 2014 entitled to 15% preferential rate
22	Liaoning CIMC Hashenleng Gas Liquefaction Plant Co., Ltd.	25%	15%	Continue to be recognised as high-tech enterprises, in 2015 entitled to 15% preferential rate

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

1. Cash at bank and on hand

	31 December 2015	31 December 2014
Cash on hand	1,664	1,772
Bank deposits	3,575,892	2,836,455
Other cash balances	909,610	829,160
Total	4,487,166	3,667,387
Including: cash abroad	1,402,645	1,734,054

As at 31 December 2015, restricted cash at bank and on hand of the Group amounted to RMB1,228,043,000(31 December 2014: RMB732,136,000), Refer to Note IV.23 for details.

As at 31 December 2015, restricted cash at bank and on hand of the Group included deposits of Finance Company with central bank, totaling of RMB329,761,000(31 December 2014: RMB441,268,000). Finance Company is a finance institution authorised by the People's Bank of China.

As disclosed in Note IV. 5(7)(i), Enric pledged its bank deposits of RMB550,000,000 as collateral for bank loans of SinoPacific Offshore & Engineering Co., Ltd. Such guarantees will be released after the repayment of the relevant loans.

2. Financial assets at fair value through profit or loss

(1) Classification

	Note	31 December 2015	31 December 2014
Current Portion			
1. Investments in equity instrument held for trading			
– Listed companies	(3)	122,171	403,709
2. Derivative financial assets			
– Forward foreign exchange contracts	(4)	8,251	21,904
– Foreign exchange option contracts	(5)	2,872	837
3. Hedging Instrument		–	1,219
Total		133,294	427,669

	Note	31 December 2015	31 December 2014
Non-current Portion			
Derivative financial assets			
– Currency swap contracts	(6)	19,755	–

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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 2015, there is no material restriction of the investment in financial assets at fair value through profit or loss.
- (3) The equity instruments held for trading are securities listed on the Stock Exchange of Hong Kong Limited, the Shanghai Stock Exchange and the Singapore Exchange Limited, of which the fair value is determined at the closing price the Stock Exchange of Hong Kong Limited, the Shenzhen Stock Exchange and the Singapore Exchange Limited on the last trading day of the year.
- (4) Forward foreign exchange contracts

As at 31 December 2015, the Group had certain unsettled forward contracts, mainly denominated in US dollars, RMB, Japanese yen and euro. The nominal value of these contracts amounted to USD1,010 million, RMB1,769 million, JPY 1,068 million and EUR 20.35 million, respectively. Pursuant to these forward contracts, the Group and the Company are required to buy/sell foreign currencies, such as USD, Japanese Yen, Euro of contracted nominal value at agreed rates in exchange of RMB at the contract settlement dates. These forwards contracts will be settled on a net basis by comparing the market rates at the settlement dates and the agreed rates. The settlement dates of the aforesaid forwards contracts range from 8 January 2016 to 16 December 2016.

(5) Foreign exchange option contracts

As at 31 December 2015, the Group had certain unsettled foreign exchange option contracts, denominated in U.S. dollars. The nominal value of these contracts amounted to USD631 million; Depending on the contract terms and the market condition, the Group will decide to exercise contractual rights or fulfill contractual obligations as requested on the settlement day. The settlement dates of the aforesaid option contracts range from 5 January 2016 to 13 December 2016.

(6) Currency swap contracts

As at 31 December 2015, the Group had 4 unsettled currency swap contracts denominated in US dollars. The initially nominal value of these contracts amounted to USD10,836,000. These contracts will mature at 1 July 2019, 1 July 2019, 1 August 2019 and 1 September 2019 respectively. As at 31 December 2015, the fair value of the currency swap contracts amounted to RMB19,755,000, which is regarded as derivatives and recognised as financial assets at fair value through profit or loss. Transaction costs on realisation have not been considered when calculating the fair values.

3. Notes receivable

(1) Classification of Notes receivable

	31 December 2015	31 December 2014
Bank acceptance notes	1,167,672	1,542,079
Trade acceptance notes	201,960	49,615
Total	1,369,632	1,591,694

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

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

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Notes receivable (Continued)

(2) As at 31 December 2015, pledged notes receivable of the group are as follows:

	31 December 2015
Bank acceptance notes	246,775
Trade acceptance notes	15,000
Total	261,775

(3) As at 31 December 2015, there was no amount transferred from notes to accounts receivable due to failure of performance by the issuers (31 December 2014: Nil).

(4) As at 31 December 2015, outstanding notes receivable endorsed by the Group are as follows:

	Derecognised	Not Derecognised
Bank acceptance notes	1,086,635	327,060
Trade acceptance notes	5,000	-
Total	1,091,635	327,060

4. Accounts receivable

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

Category	31 December 2015	31 December 2014
Containers	2,866,510	2,649,228
Transportation vehicles	1,965,433	2,014,614
Energy, chemical and liquid food equipment	2,914,140	3,413,376
Offshore engineering	286,859	890,573
Airport facilities	1,140,820	1,093,472
Logistics services	1,011,101	1,008,977
Heavy truck	477,892	499,441
Others	465,788	263,558
Sub-total	11,128,543	11,833,239
Less: provision for doubtful debts	(461,494)	(352,774)
Total	10,667,049	11,480,465

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (Continued)

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

	31 December 2015	31 December 2014
Within 1 year (inclusive)	9,772,401	9,875,738
1 to 2 years (inclusive)	784,534	1,269,555
2 to 3 years (inclusive)	394,997	281,404
Over 3 years	176,611	406,542
Sub-total	11,128,543	11,833,239
Less: provision for doubtful debts	(461,494)	(352,774)
Total	10,667,049	11,480,465

As at 31 December 2015 and 31 December 2014, the Group has no overdue accounts receivable without impairment.

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

		31 December 2015				31 December 2014			
		Book balance		Provision for doubtful debts		Book balance		Provision for doubtful debts	
		Amount	% of total balance	Amount	Ratio (%)	Amount	% of total balance	Amount	Ratio(%)
With amounts that are individually significant and that the related provision for doubtful debts is set aside on the individual basis	(4)	2,383,120	21.41%	124,778	5.24%	1,535,101	12.97%	86,219	5.62%
With amounts that are not individually significant but that the related provision for doubtful debts is set aside on the individual basis	(5)	549,692	4.94%	66,199	12.04%	487,575	4.12%	61,370	12.59%
That the related provision for doubtful debts is set aside collectively on a group basis*									
Group- containers		1,877,730	16.88%	5,282	0.28%	2,499,062	21.12%	34,636	1.39%
Group- transportation vehicles		1,329,829	11.95%	68,739	5.17%	1,112,401	9.40%	66,067	5.94%
Group- energy, chemical and liquid food equipment		2,123,635	19.08%	88,049	4.15%	3,243,117	27.41%	16,447	0.51%
Group- airport facilities		1,140,820	10.25%	44,929	3.94%	1,093,472	9.24%	39,601	3.62%
Group- logistics services		856,013	7.69%	35,177	4.11%	847,707	7.16%	30,520	3.60%
Group- heavy truck		181,928	1.64%	12,426	6.83%	230,829	1.95%	5,630	2.44%
Group- offshore engineering & others		685,776	6.16%	15,915	2.32%	783,975	6.63%	12,284	1.57%
Group sub-total	(6)	8,195,731	73.65%	270,517	3.30%	9,810,563	82.91%	205,185	2.09%
Total		11,128,543	100.00%	461,494	4.15%	11,833,239	100.00%	352,774	2.98%

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

As at 31 December 2015, the Group did not hold any collateral for accounts receivable that were made impairment aforesaid.

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4. Accounts receivable (Continued)

- (4) As at 31 December 2015, 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
Containers	944,160	41,161	4.36%	Provision is set asided based on the estimated recoverable amount according to assessment of credit risk and historical data
Transportation vehicles	344,937	36,786	10.66%	
Energy and chemical & Food equipment	785,409	30,901	3.93%	
Heavy truck	295,964	12,559	4.24%	
Others	12,650	3,371	26.65%	
Total	2,383,120	124,778	5.24%	

- (5) As at 31 December 2015, accounts receivable with amounts that are not individually significant but that the related provision for doubtful debts is set aside on the individual basis:

Category	Book balance	Provision for doubtful debt	Ratio(%)	Reason
Containers	44,620	5,343	11.97%	Provision is set asided based on the estimated recoverable amount according to assessment of credit risk and historical data
Transportation vehicles	290,667	40,196	13.83%	
Energy and chemical & Food equipment	5,096	607	11.91%	
Offshore engineering	8,566	1,830	21.36%	
Logistics services	155,088	12,927	8.34%	
Others	45,655	5,296	11.60%	
Total	549,692	66,199	12.04%	

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

	31 December 2015			31 December 2014		
	Book balance	Provision for doubtful debt		Book balance	Provision for doubtful debt	
	Amount	Amount	Ratio(%)	Amount	Amount	Ratio(%)
Within 1 year	7,249,685	24,197	0.33%	8,286,919	52,383	0.63%
1 to 2 years	528,070	64,737	12.26%	1,352,695	62,709	4.64%
2 to 3 years	289,995	103,347	35.64%	55,122	19,826	35.97%
Over 3 years	127,981	78,236	61.13%	115,827	70,267	60.67%
Total	8,195,731	270,517	3.30%	9,810,563	205,185	2.09%

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

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4. Accounts receivable (Continued)

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

The provision for doubtful debt this year amounted to RMB116,476,000 (2014 : RMB120,427,000), A provision for doubtful debt amounted to RMB47,783,000 has been collected or reversed. (2014: 100,394,000).

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

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

(9) As at 31 December 2015, 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 of the five largest accounts receivable	1,296,567	–	11.65%

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

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

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4. Accounts receivable (Continued)

(11) Accounts receivable from related parties:

As at 31 December 2015, the Group's accounts receivable due from related parties amounted to RMB304,368,000 (31 December 2014: RMB560,197,000), accounting for 2.74% of the total accounts receivable (31 December 2014: 4.73%).

Company name	Relationship with the Group	31 December 2015			31 December 2014		
		Amount	% of total balance	Provision for doubtful debts	Amount	% of total balance	Provision for doubtful debts
LiHua Energy	Associate	141,416	1.27%	–	139,390	1.18%	–
Ningxia Changming Natural Gas Development Co.,Ltd.	Associate	75,559	0.68%	–	–	0.00%	–
Shanxi Heavy Duty Automobile Co., Ltd.	Minority shareholders of subsidiaries	36,916	0.33%	–	48,476	0.41%	–
SUMITOMO CORPORATION	Minority shareholders of subsidiaries	26,277	0.24%	–	–	0.00%	–
Florens Maritime Limited	Subsidiary of significant shareholder	864	0.01%	–	247,592	2.09%	–
Florens Container Corporation S.A.	Subsidiary of significant shareholder	112	0.00%	–	32,436	0.27%	–
Other related parties		23,224	0.21%	–	92,303	0.78%	–
Total		304,368	2.74%	–	560,197	4.73%	–

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

As at 31 December 2015, the Group has no accounts receivable derecognised due to transfer of financial asset (31 December 2014: RMB1,094,590,000, which is transferred to financial institutions without recourse.

In 2015, no losses occurred due to the transfer (2014: Nil).

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

There has been no securitised accounts receivable as at 31 December 2015 and 31 December 2014.

As at 31 December 2015, the Group has no restricted accounts receivable(31 December 2014: RMB1,367,000). Refer to Note IV.23.

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5. Other receivables

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

	31 December 2015	31 December 2014
Receivables arising from financing related parities	489,499	512,486
Loans	1,146,375	465,824
Tax refund receivables	103,430	335,360
Security deposits	713,699	571,933
Land compensation and grant fee receivables	–	47,520
Receivables from equity transfer	197,384	131,215
Others	779,808	638,851
Sub-total	3,430,195	2,703,189
Less: provision for doubtful debts	(176,545)	(128,214)
Total	3,253,650	2,574,975

(2) Aging analysis of other receivables:

	31 December 2015	31 December 2014
Within 1 year (Inclusive)	2,455,765	1,869,968
1 to 2 years (Inclusive)	366,884	173,726
2 to 3 years (Inclusive)	72,390	88,930
Over 3 years	535,156	570,565
Sub-total	3,430,195	2,703,189
Less: provision for doubtful debts	(176,545)	(128,214)
Total	3,253,650	2,574,975

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

As at 31 December 2015, the Group has no overdue other receivables without impairment (31 December 2014: Nil).

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5. Other receivables (Continued)

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

	Note	31 December 2015				31 December 2014			
		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 with amounts that are individually significant	(4)	2,015,981	58.77%	123,609	6.13%	1,482,208	54.83%	70,793	4.78%
Other receivables with amounts that are not individually significant		1,414,214	41.23%	52,936	3.74%	1,220,981	45.17%	57,421	4.70%
Total		3,430,195	100.00%	176,545	5.15%	2,703,189	100.00%	128,214	4.74%

The Group did not hold any collateral for other receivables that were made impairment aforesaid.

(4) As at 31 December 2015, other receivables with amounts that are individually significant:

	Book balance	Provision for doubtful debt	Ratio(%)	Reason
Receivables arising from financing related parties	457,531	–	0.00%	Note1
Receivables from equity transfer	195,684	–	0.00%	Note1
Receivables arising from financing third parties	1,046,814	68,936	6.59%	Note1
Tax refund receivables	87,949	–	0.00%	Note1
Others	228,003	54,673	23.98%	Note1
Total	2,015,981	123,609	6.13%	

Note1: The provision for doubtful debts is individually assessed based on the recoverability of individual balance.

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5. Other receivables (Continued)

(5) The reverse or recovery of provision in current year

The provision for doubtful debt this year amounted to RMB24,088,000. A provision for doubtful debt amounted to RMB1,064,000 has been collected or reversed.

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

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

(7) As at 31 December 2015, the five largest balances of other receivables are analysed as follows, accumulated by arrearage parties:

	Note	Nature	Book balance	Aging	% of total balance	Provision for doubtful debt
SinoPacific Offshore & Engineering Co., Ltd	(i)	Receivables arising from financing third parties	430,000	within 1 year	12.54%	–
Bank of Shanghai	(ii)	Inter-bank lending	300,000	within 1 year	8.75%	–
Marine Subsea & Consafe Limited	(iii)	Receivables arising from financing related parties	297,027	over 3 years	8.66%	–
China Guangfa Bank	(ii)	Inter-bank lending	200,000	within 1 year	5.83%	–
Frigstad Deepwater Holding Limited	(iv)	Receivables arising from financing related parties	126,301	1 to 2 years	3.68%	–
Total			1,353,328		39.46%	–

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Other receivables (Continued)

(7) As at 31 December 2015, the five largest balances of other receivables are analysed as follows, accumulated by arrearage parties (Continued):

The total amount of the Group's five largest other receivables as at 31 December 2015 amounted to RMB760,433,000, accounting for 28.13% of the total balance.

- (i) On 21 December 2015, CIMC Enric Holdings Limited ("Enric"), one of the Group's subsidiary, SinoPacific Offshore & Engineering Co., Ltd and Evergreen Group Co., Ltd. entered into a financial assistance framework agreement(Note IV.21), which allows Enric to lend to SinoPacific Offshore & Engineering Co., Ltd. Pursuant to the agreement, Enric could also provide guarantee to SinoPacific Offshore & Engineering Co., Ltd for financing normal operation. The maximum amount of Financial Assistance is RMB1,500,000,000. As at 31 December 2015, Enric had provided a loan of RMB430,000,000 to SinoPacific Offshore & Engineering Co., Ltd, which is recognised as other receivables, and it's guaranteed by Evergreen on a back-to-back, pursuant to the agreement. The loan will be possibly repaid within 1 year on demand, at the interest rate of 4.85% per annum. The directors of Enric have determined that no provision for the borrowings is required.
 - (ii) This is a short term interbank callable loan issued by Finance Company to Bank of Shanghai and China Guangfa Bank, which matures at 6 January 2016.
 - (iii) Raffles completed its acquisition of Gadidae AB (formerly known as Consafe MSV AB) on 31 January 2011. Since December 2007, Gadidae AB had been making loans to its associate, Marine Subsea & Consafe ("MSC"), which amounted to USD35,625,000 (RMB231,331,000). Pursuant to the agreement, Raffles recognised interest income and recorded expenses paid on behalf of MSC with total amount of USD10,116,000 (RMB65,696,000) from 2007 to 31 January 2011.
 - (iv) Windpower Ventures Limited("the Lender"), which is the subsidiary of the Group's subsidiary CIMCVL, funded Frigstad Deepwater Holding Limited("the Borrower" that the Group holds 74.90% of the equity) by subscribing 25.10% of the equity. As at 31 December 2015, the balance was USD19,450,000 (RMB126,301,000).
- (8) Other receivables from shareholders holding more than 5% (including 5%) of the voting rights of the Company are analysed as follows:

As at 31 December 2015, no amount due from shareholders holding more than 5% (including 5%) of the voting rights of the Company is included in the above balance of other receivables.

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5. Other receivables (Continued)

(9) As at 31 December 2015, other receivables from related parties are analysed as follows:

Company name	Relationship with the Group	31 December 2015				31 December 2014			
		Amount	Nature	% of total balance	Provision for doubtful debts	Amount	Nature	% of total balance	Provision for doubtful debts
Marine Subsea & Consafe Limited	Associate	297,027	Funding	8.66%	–	279,940	Funding	10.36%	–
Frigstad Deepwater Holding Limited	Minority shareholders of subsidiaries	126,301	Funding	3.68%	–	156,474	Funding	5.79%	–
SZMPD	Subsidiary of significant shareholder	70,650	Transfer of equity	2.06%	–	70,650	Transfer of equity	2.61%	–
Shanghai Fengyang	Associate	34,204	Funding	1.00%	–	–	–	–	–
Other related parties		75,276		2.19%	–	194,459		7.19%	–
Total		603,458		17.59%	–	701,523		25.95%	–

(10) As at 31 December 2015, the Group had no government grants recognised on the basis of receivables.

6. Advance to suppliers

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

	31 December 2015	31 December 2014
Raw material (including equipments for ship under construction)	3,396,490	5,282,512
Cost of ship under construction	7,004	16,001
Others	68,012	172,284
Sub-total	3,471,506	5,470,797
Less: provision for doubtful debts	(181,312)	(247,446)
Total	3,290,194	5,223,351

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6. Advance to suppliers (Continued)

(2) Aging analysis of advance to suppliers:

	31 December 2015		31 December 2014	
	Amount	% of total balance	Amount	% of total balance
Within 1 year (inclusive)	1,426,625	41.10%	4,160,801	76.05%
1 to 2 years (inclusive)	1,235,909	35.60%	931,313	17.02%
2 to 3 years (inclusive)	592,087	17.06%	42,220	0.77%
Over 3 years	216,885	6.24%	336,463	6.16%
Sub-total	3,471,506	100.00%	5,470,797	100.00%
Less: provision for doubtful debts	(181,312)	5.22%	(247,446)	4.52%
Total	3,290,194	94.78%	5,223,351	95.48%

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

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

(3) As at 31 December 2015, the five largest balances of advance are analysed as follows, accumulated by arrearage parties:

	Amount	% of total balance
Total of the five largest advance to suppliers	2,006,270	57.79%

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

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

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6. Advance to suppliers (Continued)

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

Company name	Relationship with the Group	31 December 2015			31 December 2014		
		Amount	% of total balance	Provision for doubtful debts	Amount	% of total balance	Provision for doubtful debts
TSC	Associate	15,634	0.45%	–	72,467	1.32%	–
Wuhu Tairui Vehicle Ltd	Minority shareholders of subsidiaries	2,800	0.08%	–	2,800	0.05%	–
Shanxi Heavy Duty Automobile Co., Ltd.	Minority shareholders of subsidiaries	159	0.00%	–	354	0.01%	–
Tianjin Port International Logistics Development Co., Ltd.	Minority shareholders of subsidiaries	–	0.00%	–	124	0.00%	–
Other related parties		3,152	0.10%	–	–	0.00%	–
Total		21,745	0.63%	–	75,745	1.38%	–

7. Inventories

(1) Inventories are summarised by categories as follows:

	31 December 2015			31 December 2014		
	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	2,774,903	(112,961)	2,661,942	4,015,208	(100,109)	3,915,099
Work in progress	1,981,997	(15,704)	1,966,293	1,914,473	(20,065)	1,894,408
Finished goods	3,643,812	(151,854)	3,491,958	3,298,072	(133,373)	3,164,699
Consignment stocks	106,210	(243)	105,967	193,619	(179)	193,440
Spare parts	70,632	(3,382)	67,250	56,318	(2,477)	53,841
Low-valued consumables	179,924	(311)	179,613	80,143	(316)	79,827
Materials in transit	58,672	–	58,672	109,124	–	109,124
Completed properties held for sale	698,008	–	698,008	652,320	–	652,320
Properties under development	2,740,063	–	2,740,063	2,651,439	–	2,651,439
Offshore engineering equipment	2,120,299	–	2,120,299	995,227	–	995,227
Amount due from customer for contract work ⁽⁴⁾	2,402,429	(75,848)	2,326,581	3,164,225	(100,218)	3,064,007
Total	16,776,949	(360,303)	16,416,646	17,130,168	(356,737)	16,773,431

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7. Inventories (Continued)

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

As at 31 December 2015, the Group's closing balances of inventories included capitalised borrowing cost amounting to RMB320,294,000 (31 December 2014: RMB382,761,000). The interest rate per annum at which the borrowing costs were capitalised was 4.07%(2014: 5.16%).

As at 31 December 2015, there is no restricted inventories. (31 December 2014: RMB16,624,000). Refer to Note IV.23.

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

	31 December 2014	Additions due to business combinations	Increase in current year	Decrease in current year	31 December 2015
Raw materials	4,015,208	20,752	39,556,839	(40,817,896)	2,774,903
Work in progress	1,914,473	33,705	34,308,960	(34,275,141)	1,981,997
Finished goods	3,298,072	42,186	41,160,795	(40,857,241)	3,643,812
Consignment stocks	193,619	-	2,299,733	(2,387,142)	106,210
Spare parts	56,318	-	358,006	(343,692)	70,632
Low-valued consumables	80,143	-	512,139	(412,358)	179,924
Materials in transit	109,124	-	237,732	(288,184)	58,672
Completed properties held for sale	652,320	-	610,241	(564,553)	698,008
Properties under development	2,651,439	-	698,865	(610,241)	2,740,063
Offshore engineering equipment	995,227	-	4,044,364	(2,919,292)	2,120,299
Amount due from customer for contract work	3,164,225	-	8,811,314	(9,573,110)	2,402,429
Total	17,130,168	96,643	132,598,988	(133,048,850)	16,776,949

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

Category	31 December 2014	Additions due to business combinations	Increase in current year Increase	Decrease in current year Reversal	Write-off	Exchange Differences arising from translating foreign operations	31 December 2015
Raw materials	100,109	1,223	31,132	(14,698)	(3,585)	(1,220)	112,961
Work in progress	20,065	-	3,810	(8,814)	(323)	966	15,704
Finished goods	133,373	3,054	73,252	(22,010)	(34,922)	(893)	151,854
Consignment stocks	179	-	64	-	-	-	243
Spare parts	2,477	-	1,059	(154)	-	-	3,382
Low-valued consumables	316	-	21	(26)	(5)	5	311
Amount due from customer for contract work	100,218	-	28,603	-	(57,241)	4,268	75,848
Total	356,737	4,277	137,941	(45,702)	(96,076)	3,126	360,303

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7. Inventories (Continued)

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

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

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

Category	Basis for provision	Reason for reversal/write-off
Raw materials	The net realisable value is lower than the net book value	Increase in net realisable value/usage or sales of inventories
Work in progress	The net realisable value is lower than the net book value	Increase in net realisable value/usage or sales of inventories
Finished goods	The net realisable value is lower than the net book value	Increase in net realisable value/usage or sales of inventories
Consignment stocks	The net realisable value is lower than the net book value	Increase in net realisable value/usage or sales of inventories
Spare parts	The net realisable value is lower than the net book value	Increase in net realisable value/usage or sales of inventories
Low-valued consumables	The net realisable value is lower than the net book value	Increase in net realisable value/usage or sales of inventories
Amount due from customer for contract work	The net realisable value is lower than the net book value	Increase in net realisable value/usage or sales of inventories

(4) Amount due from customer for contract work

	31 December 2015	31 December 2014
Aggregate contract costs incurred and profit recognised to date (Less foreseeable losses)	7,410,173	10,306,899
Less: progress billings received and receivable	(5,255,806)	(7,712,247)
	2,154,367	2,594,652
Including:		
Construction work-in-progress in excess of progress billings	2,326,581	3,064,007
Progress billings in excess of construction work-in-progress	(172,214)	(469,355)
	2,154,367	2,594,652

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8. Current portion of non-current assets

	31 December 2015	31 December 2014
Finance leases receivable	4,424,686	2,848,885
Less: unrealised financing income	(1,134,641)	(378,188)
Finance leases receivable-net	3,290,045	2,470,697
Sales of goods by instalments	28,776	14,777
Others	4,808	6,104
Sub-total	3,323,629	2,491,578
Less: provision for impairment	(94,961)	(102,603)
Total	3,228,668	2,388,975

9. Other current assets

	31 December 2015	31 December 2014
Tax deductible/withheld	637,930	996,271
Others	22,909	33,564
Total	660,839	1,029,835

10. Available-for-sale financial assets

	31 December 2015	31 December 2014
Measured at fair value		
– Available-for-sale equity instruments ⁽¹⁾	1,342	6,514
– Trust plan ⁽²⁾	30,000	–
Measured at historical cost		
– Available-for-sale equity instruments	392,286	392,286
– Others	295	290
Less: provision for impairment	(3,065)	(3,065)
Total	420,858	396,025

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

- (1) As at 31 December 2015, available-for-sale financial assets held by the Group and the Company are equity investments in Otto Energy Limited with a carrying value of USD206,708 (equivalent to RMB1,342,000).
- (2) The portion of the trust plan held by the Group was recognised as available-for-sale financial asset.
- (3) Detailed information of the available-for-sale financial assets:

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

	31 December 2015	31 December 2014
Available-for-sale equity instruments		
– Fair value	1,342	6,514
– Historical cost	4,582	4,582
– Accumulated net change in fair value of available-for-sale financial assets recognised in other comprehensive income	(3,240)	1,932
Trust plan		
– Fair value	30,000	–
– Historical cost	30,000	–
– Accumulated net change in fair value of available-for-sale financial assets recognised in other comprehensive income	–	–

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

	31 December 2014	Increase in current year	Decline in current year	31 December 2015	Shareholding ratio of investee	Cash dividend in current year
Available-for-sale equity instruments						
– Historical cost						
– China United International Rail Containers Co., Ltd. ("CR Intermodal")	380,780	–	–	380,780	10.00%	–
– Bank of Communications Schroder Fund Management Co., Ltd. ("BOCM Schroder")	8,125	–	–	8,125	5.00%	–
– Beihai Yinjian Co., Ltd. ("Beihai Yinjian")	1,700	–	–	1,700	1.01%	–
– Guangdong Samsung Enterprise Group Co., LTD ("Guangdong Samsung")	1,365	–	–	1,365	0.09%	–
– Donghua Container Transportation Service Co., Ltd ("SDET")	270	–	–	270	1.38%	–
– Crisplant Singapore Pte Ltd ("Crisplant")	46	–	–	46	10.00%	–
Sub-total	392,286	–	–	392,286		–
– Provision for impairment	(3,065)	–	–	(3,065)		–
Total	389,221	–	–	389,221		–

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

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11. Long-term receivables

	31 December 2015	31 December 2014
Finance leases receivable	20,925,786	3,649,959
Less: unrealised financing income	(8,429,617)	(397,920)
Finance leases receivable-net	12,496,169	3,252,039
Sales of goods by instalments	429,747	299,917
Others	241,092	45,408
Sub-total	13,167,008	3,597,364
Less: provision for impairment	(432,444)	(147,822)
Total	12,734,564	3,449,542

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

	31 December 2015	31 December 2014
Minimum lease receipts		
Within 1 year (inclusive)	4,424,686	2,848,885
1 and 2 years (inclusive)	2,979,251	1,617,698
2 and 3 years (inclusive)	2,756,883	807,561
Over 3 years	15,189,652	1,224,700
Sub-total	25,350,472	6,498,844
Less: unrealised finance income	(9,564,258)	(776,108)
Total	15,786,214	5,722,736

As at 31 December 2015, there are no long-term receivables derecognised due to transferring of financial assets in current year (31 December 2014: RMB171,944,000).

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12. Long-term equity investments

(1) Classification of long-term equity investments:

		31 December 2015	31 December 2014
Joint ventures	(2)	456,688	437,691
Associates	(3)	1,579,681	727,985
		2,036,369	1,165,676
Less: provision for impairment		(2)	(2)
Total		2,036,367	1,165,674

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

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

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

	31 December 2014	Movement in current year						31 December 2015	Provision for impairment
		Increase/ Decrease in investment	Net profit or loss adjusted by equity method	Adjustment of other Comprehensive income	Other equity movement	Cash dividend declared	Change in foreign exchange rates		
Guangxi Southern CIMC Logistics Equipment Manufacturing Co., Ltd. ("GXNFWL")	31,296	-	4,258	-	-	-	-	35,554	-
Supercool (Shanghai) Refrigeration Equipment Co. Ltd ("SCSCRC")	3,655	-	(392)	-	-	-	-	3,263	-
Shanghai Shenyi Special Vehicle Parts Co., Ltd ("Shanghai Shenyi")	10,078	-	496	-	-	-	381	10,955	-
NYK Zhenhua logistics (Tianjin) Co. Ltd. ("NKY Zhenhua")	70,318	-	5,021	-	-	-	-	75,339	-
Three Eyre Shanghai Zhenhua Logistics Co. Ltd. ("Shanghai Three Eyre")	62,620	-	1,279	-	-	-	-	63,899	-
Kawasaki Zhenghua logistics (Tianjin) Co. Ltd. ("Kawasaki Zhenghua")	18,962	-	1,285	-	-	-	-	20,247	-
Qingdao Jiefeng Baijian Container Maintenance Co., Ltd. ("Qingdao Jiefeng")	10,171	-	3,456	-	-	-	497	14,124	-
Dalian Jilong&Baijian Logistics Co., Ltd. ("DLJL")	4,201	-	549	-	-	-	205	4,955	-

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12. Long-term equity investments (Continued)

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

	31 December 2014	Movement in current year					Change in foreign exchange rates	31 December 2015	Provision for impairment
		Increase/ Decrease in investment	Net profit or loss adjusted by equity method	Adjustment of other comprehensive income	Other equity movement	Cash Dividend declared			
Shanghai Baijian Dewei Container Maintenance Co., Ltd. ("Shanghai Baijian")	16,797	-	5,646	-	-	-	821	23,264	-
Tianjin Jinshi Baijian Container Maintenance Co., Ltd. ("Tianjin Jinshi")	5,786	-	1,425	-	-	-	283	7,494	-
Y&C Engine Co., Ltd ("Y&C Engine")	203,807	-	(9,976)	-	-	-	-	193,831	-
Shenzhen Cimc Mobile International Service Co., LTD	-	5,000	(1,237)	-	-	-	-	3,763	-
Total	437,691	5,000	11,810	-	-	-	2,187	456,688	-

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

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12. Long-term equity investments (Continued)

(3) Long-term equity investments in associates:

	31 December 2014	Movement in current year								31 December 2015	Provision for impairment
		Increase/ Decrease in investment	Net profit or loss adjusted by equity method	Adjustment of Other comprehensive income	Other equity movement	Cash dividend declared	Change in foreign exchange rates	Recognized impairment provision	Others		
Xinyang Wood Hong Kong Co., Ltd. ("XYW")	6,774	-	(4)	-	-	-	-	-	-	6,770	-
Ningbo Beilun Donghua Container Service Co., Ltd. ("NBBL")	197	1,003	-	-	-	-	-	-	-	1,200	-
Xiamen CIMC Haitou Container Service Co., Ltd. ("Xiamen CIMC")	20,125	-	2,454	-	-	-	-	-	-	22,579	-
Dalian Jilong Logistics Co., Ltd. ("DLJLL")	42,251	-	1,877	-	-	-	-	-	-	44,128	-
Senju(Jiangmen) Technology Material Co., Ltd. ("Senju Technology")	33,878	9,703	1,237	-	-	(600)	-	-	-	44,218	-
TRS Transportkoelling B.V. ("TRS")	15,472	(15,472)	-	-	-	-	-	-	-	-	-
EurotankOy("Eurotank")	8,279	-	-	-	-	-	-	-	-	8,279	-
Shanghai Fengyang Real Estate Development Co., Ltd. ("Shanghai Fengyang")	111,678	-	207,810	-	-	-	-	-	-	319,488	-
KYH Steel Holding Ltd. ("KYH")	20,148	-	2,079	-	-	(2,572)	984	-	-	20,639	-
Xiamen CIMC Haitou Logistics Co., Ltd. ("Xiamen Haitou")	4,481	-	(191)	-	-	-	-	-	-	4,290	-

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12. Long-term equity investments (Continued)

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

	31 December 2014	Movement in current year								31 December 2015	Provision for impairment
		Increase/ Decrease in investment	Net profit or loss adjusted by equity method	Adjustment of Other comprehensive income	Other equity movement	Cash dividend declared	Change in foreign exchange rates	Recognized impairment provision	Others		
TSC	186,893	-	-	-	-	-	9,131	-	-	196,024	-
Marine Subsea & Consafe Limited	2	-	-	-	-	-	-	-	-	2	(2)
Wuhan Automobile magazine Co. Ltd.	493	-	75	-	-	(162)	-	-	-	406	-
Tianzhu (Shanghai) International Freight Agency Co., Ltd.	1,847	-	153	-	-	-	-	-	-	2,000	-
LiHua gas storage and transportation Co., Ltd. ("LiHua Energy")	90,028	-	11,730	-	-	(10,752)	-	-	-	91,006	-
Jiangsu Ruicheng Machinery Co., Ltd. ("Jiangsu Ruicheng")	23,022	-	553	-	-	-	-	-	-	23,575	-
Jiuquan Enric Kunlun Cryogenic Machinery Co., Ltd.	4,000	-	678	-	-	-	-	-	-	4,678	-
Qingdao Yuanxu Properties Co., Ltd	2,896	-	(835)	-	-	-	-	-	-	2,061	-
Optton Inc (Shanghai)	17,071	-	(347)	-	-	-	-	-	-	16,724	-
Xuzhou CIMC Wood Co., Ltd	16,163	10,000	571	-	-	-	-	-	-	26,734	-
Tianjin Shounong Dongjiang Animal Husbandry Co., Ltd.	39,762	-	(3,872)	-	-	-	-	-	-	35,890	-

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12. Long-term equity investments (Continued)

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

	31 December 2014	Movement in current year								31 December 2015	Provision for impairment
		Increase/ Decrease in investment	Net profit or loss adjusted by equity method	Adjustment of Other comprehensive income	Other equity movement	Cash dividend declared	Change in foreign Exchange rates	Recognized impairment provision	Others		
Qingdao Port International Trade and Logistics Co., Ltd.	19,869	20,000	1,528	-	-	-	-	-	-	41,397	-
ZPMC-Red Box Energy Services Limited	6,068	(6,068)	-	-	-	-	-	-	-	-	-
Tianjin Shounong Import&Export Trading Co. Ltd.	20,000	43	43	-	-	-	-	-	-	20,086	-
Jiahua Shipping Co., Ltd. ("Jiahua Shipping")	-	93,506	3,827	-	-	-	158	-	-	97,491	-
Xindu Freight Co., LTD.	-	104	79	-	-	-	-	-	-	183	-
Chifeng Lvtianyuan Farm Co., Ltd.	-	3,000	104	-	-	-	-	-	-	3,104	-
CIMC Arabia Factory Company Limited	4,982	-	(7)	-	-	-	243	-	-	5,218	-
Shanghai Xiangtou Auto parts Co., Ltd.	805	-	(78)	-	-	-	-	-	-	727	-
North searigas ltd	12,344	-	-	-	-	-	605	-	-	12,949	-
Nirota B.V.	457	(457)	-	-	-	-	-	-	-	-	-
Ningxia Changming Natural Gas Development Co., Ltd.	18,000	-	125	-	-	-	-	-	-	18,125	-
Chengdu To Communication Equipment Co., LTD	-	2,675	272	-	-	-	-	-	-	2,947	-

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12. Long-term equity investments (Continued)

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

	31 December 2014	Movement in current year								31 December 2015	Provision For impairment
		Increase/ Decrease in investment	Net profit or loss adjusted by equity method	Adjustment of Other comprehensive income	Other equity movement	Cash dividend declared	Change in foreign exchange rates	Recognized impairment provision	Others		
Shenzhen Road Network Technology Co., LTD	-	10,000	(1,176)	-	-	-	-	-	-	8,824	-
Beijing Boxcool Exhibition Co., Ltd.	-	12,600	484	-	-	-	-	-	-	13,084	-
Guangzhou C-H Control Technology Co., Ltd.	-	22,186	670	-	-	-	-	-	-	22,856	-
China Fire Safety Enterprise Group Limited("China Fire Safety")	-	467,498	-	-	-	-	13,935	-	(19,434)	461,999	-
Total	727,985	630,321	229,839	-	-	(14,086)	25,056	-	(19,434)	1,579,681	(2)

Refer to Note VI.2 for equity in associates.

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

As at 31 December 2015, except for Marine Subsea & Consafe, there is no need for the Group to recognize provision for long-term equity investments in joint ventures and associates based on the provision testing result that compared the estimated recoverable amount and book value of long-term equity investments in joint ventures and associates (31 December 2014: Nil).

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13. Investment properties

	Buildings	Land use rights	Total
Original cost			
31 December 2014	430,984	116,162	547,146
Additions in current year	158,112	51,237	209,349
Disposal in current year	(154,768)	(31,088)	(185,856)
31 December 2015	434,328	136,311	570,639
Accumulated depreciation and amortisation			
31 December 2014	162,701	18,890	181,591
Current year transferred in	13,218	284	13,502
Depreciation/amortisation charged in current year	27,987	2,436	30,423
Current year transferred out	(84,136)	(9,555)	(93,691)
31 December 2015	119,770	12,055	131,825
Net book value			
31 December 2015	314,558	124,256	438,814
31 December 2014	268,283	97,272	365,555

In 2015, RMB30,423,000 of depreciation and amortisation is recognised for the investment properties (2014: RMB68,079,000). There was no provision for impairment for investment properties as at 31 December 2015 (31 December 2014: Nil).

In 2015, borrowing cost capitalized as investment properties amounted to RMB5,974,000 (2014: RMB10,271,000). The capitalization rate used to determine capitalization amount is 5.30% per annum (2014: 5.12%).

There was no disposal of investment properties in 2015.

As at 31 December 2015, the buildings with carrying amount of about RMB35,268,000 (original cost: RMB56,789,000) and the land use rights with carrying amount of 24,771,000 (original cost: RMB29,236,000) had not been entitled the property ownership certificates due to unfinished entitling procedures. The certificate is expected to be granted in 2016.

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14. Fixed assets

(1) Fixed assets

	Buildings	Machinery and equipment	Office & other equipment	Transportation	Offshore engineering special equipment	Dock & Port	Total
Original cost							
31 December 2014	9,329,003	9,012,903	2,044,468	967,475	4,185,224	1,365,819	26,904,892
Additions due to business combination	39,000	7,751	1,717	2,336	–	–	50,804
Additions in current year	888,583	222,671	400,027	76,929	579,275	3,671	2,171,156
Transfers from construction in progress	944,472	695,942	86,410	12,976	1,496,191	2,701	3,238,692
Disposal in current year	(411,375)	(466,956)	(577,302)	(83,157)	(13,358)	(193,052)	(1,745,200)
Exchange differences arising from translating foreign currencies	14,745	115,635	28,588	1,438	142,276	75,726	378,408
31 December 2015	10,804,428	9,587,946	1,983,908	977,997	6,389,608	1,254,865	30,998,752
Accumulated depreciation							
31 December 2014	2,163,350	3,609,680	888,122	408,028	200,888	162,490	7,432,558
Depreciation recognised in current year	357,490	654,931	236,621	107,282	195,833	29,138	1,581,295
Decreases in current year	(44,755)	(263,520)	(20,210)	(35,738)	(5,909)	(1,852)	(371,984)
Exchange differences arising from translating foreign currencies	9,790	37,686	10,377	1,169	14,658	11,240	84,920
31 December 2015	2,485,875	4,038,777	1,114,910	480,741	405,470	201,016	8,726,789
Provision for impairment							
31 December 2014	311,772	96,851	11,941	633	–	–	421,197
Impairment recognised in current year	8,670	12,945	4,336	528	–	–	26,479
Written off on disposal	(531)	(22,868)	(1,367)	(432)	–	–	(25,198)
Exchange differences arising from translating foreign currencies	453	979	–	–	–	–	1,432
31 December 2015	320,364	87,907	14,910	729	–	–	423,910
Carrying amount							
31 December 2015	7,998,189	5,461,262	854,088	496,527	5,984,138	1,053,849	21,848,053
31 December 2014	6,853,881	5,306,372	1,144,405	558,814	3,984,336	1,203,329	19,051,137

As at 31 December 2015, the Group had no restricted fixed assets (31 December 2014: RMB102,667,000). Refer to Note IV.23.

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14. Fixed assets (Continued)

(1) Fixed assets (Continued)

In 2015, depreciation of fixed assets recognized amounted to RMB1,581,295,000 (2014: RMB1,442,306,000), of which RMB1,299,151,000, RMB26,331,000 and RMB255,813,000 (2014: RMB1,190,723,000, RMB41,522,000 and RMB210,061,000) has been charged in cost of sales, selling and distribution expenses, general and administrative expenses, respectively.

In 2015, the original cost of fixed assets transferred from construction in progress is RMB3,238,692,000 (2014: RMB6,994,018,000).

In 2015, an amount of RMB26,479,000 has been impaired, RMB22,567,000 of which was accounted for recognition of impairment provision for unemployed fixed assets of CIMC Vehicle (Shandong) Co. Ltd. ("KGR").

(2) As at 31 December 2015, besides the unemployed buildings, machinery and equipment of KGR which had been impaired, the Group had no other temporarily idle fixed assets.

(3) Fixed assets held through finance leases

	31 December 2015			31 December 2014		
	Book balance	Accumulated depreciation	Carrying amount	Book balance	Accumulated depreciation	Carrying amount
Buildings	2,626	(1,313)	1,313	-	-	-
Machinery and equipment	525,172	(82,330)	442,842	35,683	(13,148)	22,535
Total	527,798	(83,643)	444,155	35,683	(13,148)	22,535

During the year, the fixed assets held through finance leases mainly consist of machinery and equipment sold and leased back by C & C Trucks.

(4) Fixed assets leased out under operating leases

	Carrying amount
Buildings	83,261
Machinery and equipment	31,150
Office & other equipment	406
Transportation	396,327
Offshore engineering special equipment	4,912,983
Total	5,424,127

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14. Fixed assets (Continued)

(5) Held-for-sale fixed assets

As at 31 December 2015, there were no held-for-sale fixed assets (31 December 2014: Nil).

(6) Fixed assets with certificates of ownership unsettled

	Carrying amount	Reason for pending
Factory	1,053,597	Put to use, certificate being in the progress
Office building	134,122	Put to use, certificate being in the progress
Workshop	127,348	Information updated, being in the progress
Dormitory and Canteen	131,183	Put to use, certificate being in the progress
Warehouse	114,156	Under preparation of reporting materials
Others	86,069	Certificate being in the progress
Total	1,646,475	

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15. Construction in progress

(1) Construction in progress

	31 December 2015			31 December 2014		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Vessels under construction of financing and leasing company	13,744,034	–	13,744,034	7,492,172	–	7,492,172
Raffles H273, H1284 Project	2,273,808	–	2,273,808	–	–	–
MEA 1st stage R&D Project	–	–	–	352,187	–	352,187
Dongguan CIMC vehicle logistics equipment project	190,727	–	190,727	64,760	–	64,760
Container Holding Songshan Lake Office Building	132,928	–	132,928	–	–	–
Enric workshop construction project	77,149	–	77,149	152,779	–	152,779
QDCSR new plant construction project	76,489	–	76,489	–	–	–
Production equipment of C&C Trucks	44,127	–	44,127	45,255	–	45,255
TCCIMC relocation and reconstruction project	43,205	–	43,205	1,400	–	1,400
XHCIMCS Production Line and Power Facilities Reconstruction Project	29,933	–	29,933	37,344	–	37,344
Raffles large scale equipment (including 2000T slewing crane)	26,757	–	26,757	56,741	–	56,741
TJICIMC mid-thick plate and bottom side crossbeam automatic production line	26,051	–	26,051	7,766	–	7,766
Second phase of Hebei construction Development project of Shenyang Industry Garden	12,033	–	12,033	70,461	–	70,461
DLL newly added special production line	7,103	–	7,103	168,096	–	168,096
KGR production line relocation project	3,096	–	3,096	722	–	722
Dalian Railway steel equipment warehouse	3,572	(1,553)	2,019	5,679	–	5,679
Dalian Heavy Logistics Production Line equipment	1,343	(563)	780	1,378	(563)	815
Raffles Jack-up Drilling Platform	–	–	–	10,391	–	10,391
TAS New Plant Project	–	–	–	1,396,440	–	1,396,440
Others	–	–	–	153,407	–	153,407
	350,387	(238)	350,149	444,525	–	444,525
Total	17,042,742	(2,354)	17,040,388	10,461,503	(563)	10,460,940

The carrying amounts of construction in progress at the end of the year included accumulated capitalised borrowing cost of RMB1,047,977,000 (31 December 2014: RMB847,650,000). The interest rate adopted for determining capitalised at borrowing cost for the current year was 4.36%(2014: 4.37%).

As at 31 December 2015, there is no restricted construction in progress of the Group (31 December 2014: Nil). Refer to Note IV.23 for details.

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15. Construction in progress (Continued)

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

	Budgeted amount	31 December 2014	Additions due to business combinations	Current year additions	Transfer to fixed assets	31 December 2015	Proportion of expenditures incurred to budgeted amount (%)	Progress of construction	Cumulative capitalised interest	Including: current year capitalised interest	Interest capitalisation rate (%)	Source of funds	Exchange differences arising from translating foreign currencies
Vessels under construction of financing and leasing company	18,848,805	7,492,172	-	6,346,296	(107,731)	13,744,034	73%	25%-95%	532,405	187,694	4.36%	Bank loan	13,297
Raffles H273, H1284 Project	2,717,717	-	-	2,273,808	-	2,273,808	84%	84%	75,720	57,301	3.01%	Self-funding and bank loan	-
MEA 1st stage R&D Project	398,000	352,187	-	56,386	(408,573)	-	102%	100%	21,416	-	-	Self-funding and bank loan	-
Dongguan CIMC vehicle logistics equipment project	75,093	64,760	-	125,967	-	190,727	49%	49%	-	-	-	Self-funding	-
Container Holding Songshan Lake Office Building	200,000	-	-	132,928	-	132,928	75%	75%	-	-	-	Self-funding	-
Enric workshop construction project	240,969	152,779	-	88,191	(163,821)	77,149	100%	68%	-	-	-	Self-funding	-
QDCSR new plant construction project	103,721	-	-	76,489	-	76,489	74%	74%	-	-	-	Self-funding	-
Production equipment of C&C Trucks	73,627	45,255	-	12,508	(13,636)	44,127	106%	94%	-	-	-	Self-funding	-
TCCIMC relocation and reconstruction project	86,770	1,400	-	50,816	(9,011)	43,205	60%	60%	-	-	-	Self-funding	-
XHOMCS Production Line and Power Facilities Reconstruction Project	92,901	37,344	-	47,708	(55,119)	29,933	92%	88%	-	-	-	Self-funding	-
Raffles large scale equipment (including 2000T slewing crane)	93,091	56,741	-	18,293	(50,386)	26,757	81%	81%	-	-	-	Self-funding	2,109
TJOMC mid-thick plate and bottom side crossbeam automatic production line	42,420	7,766	-	33,180	(14,895)	26,051	97%	90%	-	-	-	Self-funding	-
Second phase of Hebei construction	92,980	70,461	-	24,112	(82,540)	12,033	102%	98%	-	-	-	Self-funding	-
Development project of Shenyang Industry Garden	624,975	168,096	-	37,702	(198,695)	7,103	63%	75%	1,793	1,235	4.35%	Self-funding and bank loan	-
DLL newly added special production line	35,728	722	-	10,182	(7,808)	3,096	70%	98%	-	-	-	Self-funding	-
KGR production line relocation project	7,697	5,679	-	1,863	(5,523)	2,019	98%	98%	-	-	-	Self-funding	-
Dalian Railway steel equipment warehouse	12,870	815	-	-	(35)	780	101%	99%	-	-	-	Self-funding	-
Dalian Heavy Logistics Production Line equipment	143,392	10,391	-	424	(10,815)	-	62%	100%	-	-	-	Self-funding	-
Raffles Jack-up Drilling Platform	1,256,168	1,396,440	-	76,267	(1,498,160)	-	98%	100%	366,603	-	4.35%	Self-funding and bank loan	25,453
TAS New Plant Project	320,000	153,407	-	69,023	(222,430)	-	70%	100%	10,710	1,681	5.72%	Self-funding and bank loan	-
Others		444,525	5,421	288,178	(389,514)	350,149			39,330	38,613			1,539
Total		10,460,940	5,421	9,770,321	(3,238,692)	17,040,388			1,047,977	286,524			42,398

As at 31 December 2015, an amount of RMB2,354,000 has been recognized as the provision for impairment of construction in progress(31 December 2014: RMB563,000).

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16. Disposal of fixed assets

	31 December 2015	31 December 2014
Buildings	63,563	–
Machinery and equipment	34,341	–
Transportation	939	–
Office & other equipment	663	–
Total	99,506	–

17. Intangible assets and development expenditure

(1) Intangible assets

	Land use rights	Technical know-how and trade marks	Timber concession rights	Customer relationships	Customer contracts	Maritime use rights	Franchise rights	Total
Original cost								
31 December 2014	3,783,565	1,679,453	220,545	200,057	238,445	80,427	53,300	6,255,792
Additions due to business combination	21,033	139,715	–	115,428	–	–	–	276,176
Current year additions	517,518	90,889	–	–	–	–	65,360	673,767
Current year decrease	(96,202)	(25,746)	–	–	–	–	–	(121,948)
Exchange differences arising from translating foreign currencies	22,925	(25,407)	13,673	(3,457)	13,777	4,626	–	26,137
31 December 2015	4,248,839	1,858,904	234,218	312,028	252,222	85,053	118,660	7,109,924
Accumulated amortisation								
31 December 2014	574,034	835,548	105,826	113,257	102,738	18,838	–	1,750,241
Current year additions	85,829	103,553	4,446	9,686	16,650	3,446	4,252	227,862
Current year decrease	(10,633)	(1,900)	–	–	–	–	–	(12,533)
Exchange differences arising from translating foreign currencies	5,113	(13,499)	6,750	(3,467)	5,910	1,222	–	2,029
31 December 2015	654,343	923,702	117,022	119,476	125,298	23,506	4,252	1,967,599
Provision for impairment								
31 December 2014	–	–	97,264	–	52,455	–	–	149,719
Exchange differences arising from translating foreign currencies	–	–	6,030	–	3,018	–	–	9,048
31 December 2015	–	–	103,294	–	55,473	–	–	158,767
Carrying amount								
31 December 2015	3,594,496	935,202	13,902	192,552	71,451	61,547	114,408	4,983,558
31 December 2014	3,209,531	843,905	17,455	86,800	83,252	61,589	53,300	4,355,832

In 2015, amortisation expenses of intangible assets amounted to RMB227,862,000 (2014: RMB219,517,000).

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17. Intangible assets and development expenditure (Continued)

(2) As of 31 December 2015, intangible assets with pending certificates of ownership are as follows:

	Carrying amount in RMB	Reasons for unsettlement
Nantong Tank Land (2008) No. 0301018	67,593	in the progress
SCIMCEL Tangkeng land use right	57,766	in the progress
Nantong Tank Land (2009) No. 0301030	49,000	in the progress
SCIMCEL dormitory	1,859	in the progress
Patent and the right to use of Tiezhongbao rack and chord	9,509	in the progress
SCIMCL land use rights	15,844	in the progress
Total	201,571	

After the evaluation of board of directors of the Group, the aforementioned intangible assets with unsettled certificates has no risk of impairment.

(3) As of 31 December 2015, there was no restricted intangible assets (31 December 2014: RMB145,728,000). Refer to Note IV.23.

(4) As at 31 December 2015, the intangible asset with indefinite useful lives is Gas station Franchise which amounted to RMB53,300,000 (31 December 2014: RMB53,300,000).

(5) Development expenditure is as follows:

	31 December 2014	Additions due to business combination	Current year addition	Recognised as intangible assets	31 December 2015
Project on vehicle technology	41,450	–	69,985	(90,555)	20,880
Others	255	–	2,165	(334)	2,086
	41,705	–	72,150	(90,889)	22,966

In 2015, the Group's development expenditure amounted to RMB614,462,000 (2014: RMB742,895,000): RMB542,312,000 of which (2014: RMB591,756,000) was included in the current profits and losses, and an amount of RMB72,150,000 was capitalised as intangible assets in current period(2014: 151,139,000). As at 31 December 2015, intangible assets transferred from development expenditure within the group accounted for 6.57% (2014: 5.42%) of the total book balance of intangible assets.

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18. Goodwill

	Note	31 December 2014	Current year addition	Current year decrease	Exchange differences arising from translating foreign currencies	31 December 2015
Enric		546,335	–	–	–	546,335
TGE SA		165,777	–	–	–	165,777
YPDI		86,558	–	–	–	86,558
Bassoe		132,245	–	–	–	132,245
Pteris Global Limited		108,196	–	–	–	108,196
C & C Trucks		132,145	–	–	–	132,145
Hashenleng	(1)	–	103,530	–	–	103,530
Others		516,388	32,080	–	(3,672)	544,796
Sub-total		1,687,644	135,610	–	(3,672)	1,819,582
Less: provision for impairment						
C & C Trucks		–	18,867	–	–	18,867
Others		23,897	19,282	–	(4,605)	38,574
Sub-total		23,897	38,149	–	(4,605)	57,441
Total		1,663,747	97,461	–	933	1,762,141

- (1) For details of goodwill arose from the acquisition of Sino-Worlink (Beijing) Investment Co., Ltd (“Sino-Worlink Beijing”), Sino-Worlink (Hong Kong) International Logistics Co., Ltd (“Sino-Worlink Hong Kong”), Liaoning Hashenleng Gas liquefaction equipment Co., Ltd. (“Hashenleng”) and Sichuan Jinke cryogenic engineering Co., Ltd., refer to Note V.1.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Goodwill (Continued)

(2) Impairment test for asset group including goodwill

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

	31 December 2015	31 December 2014
Container asset group	104,413	107,992
Road transportation vehicles asset group	69,749	71,004
Energy and chemical & food equipment asset group	990,813	886,719
Offshore engineering asset group	225,222	234,601
Logistics services asset group	120,558	88,478
Heavy truck asset group	113,278	132,145
Airport equipment asset group	108,196	108,196
Asset groups with insignificant allocation percentage of goodwill group	29,912	34,612
Total	1,762,141	1,663,747

(3) The recoverable amount of asset group and combination of asset groups is calculated on the basis of 5-year by the method of estimated cash flow. For cash flow more than 5 years, it employs the estimated growth rate to do the calculation.

Employ the main assumptions of discounted future cash flow method:

	Enric	TGE SA	YPDI	Bassoe	Pteris Global Limited	C & C Trucks	Hashenleng
Growth rate	3%	3%	3%	3%	3%	3%	3%
Gross profit rate	20%	16%	13%	81%	27%-32%	15%	24%
Discount rate	12%	9%	12.25%	10%	13%	13%	10.45%

The weighted average growth rate employed by the management was in accordance with the estimated rate in the industry report, not exceeding the long term average growth rate of each production. On the basis of historical experience and market development forecast, the management determine the gross profit rate, and employ a discount rate which can reflect the specific risk of asset group and combination of asset groups. The above assumption was used to analyse the recoverable amount of asset groups and combination of asset group of the business segment.

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19. Long-term prepaid expenses

	31 December 2014	Additions due to business combination	Current year addition	Current year amortisation	Exchange differences arising from translating foreign currencies	31 December 2015
Yard facility expenses	10,590	–	3,941	(2,892)	(13)	11,626
Project insurance and commission	62,949	–	40,420	(41,202)	2,344	64,511
Improvements to fixed assets held under operating leases	5,597	5,739	8,332	(3,378)	–	16,290
Operating lease interest expenses	7,353	–	914	(1,840)	277	6,704
Improvement of engineering vessel	39,626	–	(18,502)	(4,526)	887	17,485
Others	68,048	–	(1,120)	(17,836)	3	49,095
Sub-total	194,163	5,739	33,985	(71,674)	3,498	165,711
Less: provision for impairment	–	–	–	–	–	–
Total	194,163	5,739	33,985	(71,674)	3,498	165,711

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. 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 2015		31 December 2014	
	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)
Deferred tax assets:				
Provision for asset impairment	1,169,328	262,129	753,684	185,499
Accrued liability	720,507	161,477	581,559	124,290
Employee benefits payable	1,332,479	335,328	1,552,604	378,625
Accrued expenses	388,979	75,920	286,648	55,886
Deductible losses	1,514,873	253,019	1,494,798	317,690
Movement for fair value of financial assets at fair value through profit or loss/hedging instruments	230,263	44,458	148,669	36,870
Available-for-sale financial assets	7,826	1,174	–	–
Intra-group unrealised revenue	62,819	15,705	4,035	1,009
Others	241,207	47,119	125,659	30,235
Sub-total	5,668,281	1,196,329	4,947,656	1,130,104
Offsetting amount	(7,468)	(1,867)	(53,739)	(12,360)
Offsetting balances	5,660,813	1,194,462	4,893,917	1,117,744
Including:				
Amount estimated to reverse within 1 year (inclusive)		502,580		488,706
Amount estimated to reverse over 1 year		691,882		629,038
		1,194,462		1,117,744
Deferred tax liabilities:				
Movement for fair value of financial assets at fair value through profit or loss/hedging instruments	(7,468)	(1,867)	(23,615)	(5,356)
Available-for-sale financial assets	–	–	(1,932)	(483)
Movement for fair value of hedging instrument	–	–	(1,219)	(183)
Revaluation gain through combination	(1,020,809)	(212,739)	(765,563)	(151,766)
Gross profit of overseas projects (pay tax after completion)	(662,776)	(115,986)	–	–
Estimated dividend income earned for non-resident foreign enterprises	–	–	(513,458)	(18,330)
Accelerated depreciation of fixed assets	(524,794)	(123,351)	(298,784)	(70,696)
Others	(83,203)	(15,406)	(596,040)	(135,145)
Sub-total	(2,299,050)	(469,349)	(2,200,611)	(381,959)
Offsetting amount	7,468	1,867	53,739	12,360
Offsetting balances	(2,291,582)	(467,482)	(2,146,872)	(369,599)
Including:				
Amount estimated to reverse within 1 year (inclusive)		(101,628)		(6,054)
Amount estimated to reverse over 1 year		(365,854)		(363,545)
		(467,482)		(369,599)

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

(2) Unrecognised deferred tax assets

	31 December 2015	31 December 2014
Deductible losses	1,161,698	1,034,158
Impairment losses of timber Concession rights	22,119	22,119
Others	41,133	66,658
Total	1,224,950	1,122,935

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

	31 December 2015	31 December 2014	Note
2015	–	368,547	
2016	1,560,116	1,871,095	
2017	1,199,243	1,201,693	
2018	1,086,941	1,089,517	
2019	340,655	348,893	Note1
After 2019	1,632,055	345,765	
Total	5,819,010	5,225,510	

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

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

21. Other non-current assets

	31 December 2015	31 December 2014
Prepayment for equity investment ⁽¹⁾	178,634	–
Entrusted loans	144,587	229,295
Prepayment for trades	45,455	61,190
Prepayment for construction	37,707	21,021
Prepayment for equipment	35,946	6,419
Prepayment for land use right	583	14,403
Others	22,791	9,612
Total	465,703	341,940

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21. Other non-current assets (Continued)

As at 31 December 2015, the Group's non-current assets due from shareholders holding more than 5%(inclusive) of the voting rights or related parties amounted to RMB20,192,000.

- (1) On 27 August 2015, CIMC Enric Investment Holdings (Shenzhen) Ltd., an indirect wholly-owned subsidiary of the Group's subsidiary Enric, entered into an agreement with SOEG PTE LTD ("SOEG"), Jiangsu Pacific Shipbuilding Group Co., Ltd. and Evergreen Group Co., Ltd., pursuant to which they agreed to sell and EIHL agreed to purchase 100% equity interest in SinoPacific Offshore & Engineering Co., Ltd. ("SOE"), being 33.36%, 29.95% and 36.69% equity interest held by SOEG, Jiangsu Pacific and Evergreen, respectively. As at 31 December 2015, EIHL has paid RMB178,634,000 as prepayment for consideration and the transaction has not yet been completed.

22. Provision for asset impairment

	31 December 2014	Additions due to business combination	Current year addition	Current year decrease		Exchange differences arising from translating foreign currencies	31 December 2015
				Reversal	Write-off		
Provision for doubtful debts							
Including: provision for doubtful debts of accounts receivable	352,774	51,080	116,476	(47,783)	(11,068)	15	461,494
Provision for doubtful debts of other receivables	128,214	29,967	24,088	(1,064)	(5,322)	662	176,545
Provision for doubtful debts of advances to suppliers	247,446	18,599	23,880	(41)	(110,545)	1,973	181,312
Provision for doubtful debts of current portion of non-current assets	102,603	–	1,021	(8,706)	–	43	94,961
Provision for doubtful debts of long-term receivables	147,822	–	286,731	(2,090)	–	(19)	432,444
Provision for decline in value of inventories	356,737	4,277	137,941	(45,702)	(96,076)	3,126	360,303
Provision for impairment of long-term equity investments	2	–	–	–	–	–	2
Provision for impairment of available-for-sale financial assets	3,065	–	–	–	–	–	3,065
Provision for impairment of fixed assets	421,197	–	26,479	–	(25,198)	1,432	423,910
Provision for impairment of construction in progress	563	–	1,791	–	–	–	2,354
Provision for impairment of intangible assets	149,719	–	–	–	–	9,048	158,767
Provision for impairment of goodwill	23,897	–	38,149	–	–	(4,605)	57,441
Total	1,934,039	103,923	656,556	(105,386)	(248,209)	11,675	2,352,598

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22. Provision for asset impairment (Continued)

Please refer to the respective notes of the assets for reasons of the provisions.

23. Restricted assets

As at 31 December 2015, assets with restrictions in their ownership are as follows:

	Note	31 December 2014	Current year addition	Current year decrease	Exchange differences arising from translating foreign currencies	31 December 2015
Assets used as collateral						
– Cash at bank and on hand	IV.1	732,136	759,590	(263,853)	170	1,228,043
– Notes receivable	IV.3	–	588,835	–	–	588,835
– Accounts receivable	IV.4	1,367	–	(1,367)	–	–
– Inventories	IV.7	16,624	–	(16,624)	–	–
– Long term receivables	IV.11	–	4,009,785	–	–	4,009,785
– Fix assets	IV.14	102,667	–	(102,667)	–	–
– Intangible assets	IV.17	145,728	–	(145,728)	–	–
Total		998,522	5,358,210	(530,239)	170	5,826,663

The long term receivables are used as collateral for mortgage loan. The notes receivables are used for rediscounting, pledge for letter of guarantee and pledge for pool of notes. Refer to Note IV.24 for details of short-term pledged borrowings. The restricted cash at bank and on hand were security deposits, and deposits in the People's Bank of China by Finance Company.

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24. Short-term borrowings

(1) Classification of short-term borrowings:

	Note	31 December 2015	31 December 2014
Guaranteed	(a)		
USD		1,847,671	85,004
RMB		802,000	70,000
EUR		75,522	15,995
CAD		2,375	–
Sub-total		2,727,568	170,999
Pledged	(b)		
RMB		234,258	5,044
Unsecured			
USD		14,070,312	9,443,805
EUR		217,852	423,292
GBP		143,569	72,838
RMB		110,061	561,234
AUD		34,034	37,679
SGD		38,922	–
JPY		5,388	–
HKD		–	35,499
Sub-total		14,620,138	10,574,347
Discounted notes			
RMB		327,060	489,137
Total		17,909,024	11,239,527

- (a) As at 31 December 2015, guaranteed borrowings of the Group consisted of the following: bank loans of subsidiary C&C Trucks amounting to RMB229,000,000, which is guaranteed by the Group; loans of Raffles amounting to USD103,437,000 (671,671,000 in RMB), guaranteed by the Group and CIMC Hong Kong; loans of CIMCVL, including an amount of USD177,500,000 (1,152,614,000 in RMB), EUR 5,700,000 (40,442,000 in RMB) and RMB468,000,000, all of which were guaranteed by the Group and CIMC Hong Kong; loans of subsidiaries of Zhenhua Group, including USD3,601,000 (23,386,000 in RMB), CAD 507,000 (2,375,000 in RMB) and EUR 4,944,000 (35,080,000 in RMB), all of which were guaranteed by Zhenhua Group; loans of subsidiaries of Enric, amounting to RMB105,000,000.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Short-term borrowings (Continued)

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

- (b) As at 31 December 2015, the pledged loans were the loan of the Finance Company, amounting to RMB234,258,000, which pledged with notes receivables with the par value of RMB234,559,000.
- (c) As at 31 December 2015, there was no short-term borrowings owed to shareholders holding more than 5% (including 5%) of the voting rights of the Group or related parties.
- (d) As at 31 December 2015, the interest rate of short term borrowing ranged from 0.64% to 17.12%(31 December 2014: 1.08% to 7.28%).

25. Financial liabilities at fair value through profit or loss

	Note	31 December 2015	31 December 2014
Current			
1. Derivative financial liabilities			
– Forward foreign exchange contracts	IV.2(4)	188,693	92,779
– Foreign exchange option contracts	IV.2(5)	54,250	3,206
2. Hedging Instrument		7,826	7,672
Sub-total		250,769	103,657
Non-current			
1. Derivative financial liabilities			
– Forward foreign exchange contracts		–	18,497
– Foreign exchange option contracts		–	12,880
– Interest rate swap	(1)	15,203	21,307
2. Hedging Instrument		–	2,712
3. Financial guarantee contracts		40,268	18,488
Sub-total		55,471	73,884
Total		306,240	177,541

(1) Interest rate swap

As at 31 December 2015, the Group had 15 unsettled interest rate swap contracts denominated in US dollars. The nominal value of these contracts amounted to USD128 million. The maturity dates of these interest rate swap contracts ranged from 28 April 2017 to 1 March 2020. As at 31 December 2015, the Group recognised the foresaid contracts in the fair values of RMB15,203,000, as financial liabilities at fair value through profit or loss. Transaction costs on realisation have not been considered when calculating the fair values.

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26. Notes payable

	31 December 2015	31 December 2014
Bank acceptance notes	585,408	1,101,809
Trade acceptance notes	1,163,669	531,474
Other notes payable	–	50,733
Total	1,749,077	1,684,016

The above notes payable are due within one year.

27. Accounts payable

(1) The Group's accounts payable is as follows:

	31 December 2015	31 December 2014
Due to raw materials suppliers	7,574,540	10,320,317
Integrated logistics service charges	358,539	253,586
Project contract charges	335,406	388,045
Project procurement charges	272,175	164,844
Due to equipment suppliers	209,973	116,385
Transportation charges	69,655	111,266
Processing charges	36,664	9,061
Others	36,053	1,399
Total	8,893,005	11,364,903

The aging analysis of accounts payable is as follows:

	31 December 2015	31 December 2014
Within 1 year (inclusive)	8,513,311	11,212,248
1 to 2 years (inclusive)	286,922	48,846
2 to 3 years (inclusive)	42,221	44,834
Over 3 years	50,551	58,975
Total	8,893,005	11,364,903

As at 31 December 2015, accounts payable over 1 year with a carrying amount of RMB379,694,000 (31 December 2014: RMB152,655,000) are mainly payables related to offshore engineering business. The payable are not settled because the construction period of the offshore engineering project usually last more than 1 year.

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27. Accounts payable (Continued)

- (2) As at 31 December 2015, there was no accounts payable owed to shareholders holding more than 5% (including 5%) of the voting rights of the Group. Accounts payable owed to related parties are as listed follows:

Company name	Relationship with the Group	31 December 2015		31 December 2014	
		Amount	% of total balance	Amount	% of total balance
Y&C Engine	Associates	137,172	1.54%	3,939	0.03%
TSC	Associates	69,915	0.79%	97,974	0.86%
Xuzhou CIMC Wood Co., Ltd	Associates	26,272	0.30%	11,597	0.10%
Asahi Trading Co., Ltd	Minority shareholders of subsidiaries	17,855	0.20%	79,140	0.70%
Other related parties		16,354	0.18%	31,348	0.28%
Total		267,568	3.01%	223,998	1.97%

28. Advances from customers

- (1) The Group's advances from customers is as follows:

	31 December 2015	31 December 2014
Advances for goods	1,867,554	2,425,646
Advances for construction	647,453	476,071
Advances for trade and logistics	164,793	46,504
Advances for property	69,359	12,083
Others	14,352	94,479
Total	2,763,511	3,054,783

As at 31 December 2015, advances from customers over 1 year with a carrying amount of RMB442,779,000, are mainly rental in advance and project payments related to offshore engineering business. The advances are not settled because the construction period of the offshore engineering project usually last more than 1 year.

- (2) As at 31 December 2015, advances from shareholders who hold 5% or more of the voting rights or related parties amounted to RMB4,000.

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29. Employee benefits payable

	31 December 2015	31 December 2014
Short-term wages	2,180,245	2,263,886
Defined contribution plans	52,719	41,119
Dismissal welfare	1,307	1,289
	2,234,271	2,306,294

(1) Short-term wages

	31 December 2014	Additions due to business combination	Current year addition	Current year decrease	Exchange differences arising from translating foreign currencies	31 December 2015
Wages and salaries, bonuses, allowances and subsidies	1,538,387	628	4,422,129	(4,345,583)	3,415	1,618,976
Profit-sharing and senior management bonus	511,156	–	23,857	(179,000)	–	356,013
Housing funds	6,702	–	187,587	(186,751)	76	7,614
Labor union funds and employee education funds	55,052	–	38,968	(44,225)	329	50,124
Social security contributions and others	14,412	–	198,036	(186,611)	1	25,838
Including: Medical insurance	11,465	–	160,762	(151,840)	1	20,388
Work injury insurance	1,497	–	24,406	(23,124)	–	2,779
Maternity insurance	1,450	–	12,868	(11,647)	–	2,671
Other short-term wages	138,177	–	894,715	(892,083)	(19,129)	121,680
Total	2,263,886	628	5,765,292	(5,834,253)	(15,308)	2,180,245

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29. Employee benefits payable (Continued)

(2) Defined contribution plans

	31 December 2014	Current year addition	Current year decrease	Exchange differences arising from translating foreign currencies	31 December 2015
Basic pensions	37,679	427,933	(418,621)	13	47,004
Unemployment insurance	3,443	23,096	(20,883)	–	5,656
Enterprise annuities	(3)	547	(485)	–	59
Total	41,119	451,576	(439,989)	13	52,719

(3) Dismissal welfare

	31 December 2015	31 December 2014
Others (i)	1,307	1,289

(i) As at 31 December 2015, the Group provide other compensation amounting to RMB1,307,000 to compensate for the termination of employment relationship.

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

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

Enterprise annuity plan is established to safeguard the employee's standard of living after retirement. Every year, companies pay 3% of the total annual wages, and individuals pay 1% of the base. Employees who meet the conditions can choose to draw 0% to 100% of the annuities all at once or in installments based on their length of service. Besides, the fund is managed by specially-assigned person. When a loss is reported or under special conditions, the payment can be suspended. There is no need to make a supplementary payment.

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

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30. Taxes payable

	31 December 2015	31 December 2014
Value-added-tax payable	169,422	98,256
Business tax payable	64,975	29,433
Enterprise income tax payable	467,451	433,971
Withholding individual income tax	17,880	25,031
City maintenance and construction tax payable	25,879	36,334
Educational surcharge payable	18,693	25,366
Land appreciation tax	78,940	83,581
Others	79,897	67,803
Total	923,137	799,775

31. Interest payable

	31 December 2015	31 December 2014
Interest of corporate bonds	127,263	180,669
Interest of long-term borrowings	46,363	3,320
Interest of short-term borrowings	40,099	1,059
Others	2,649	732
Total	216,374	185,780

32. Dividends payable

	31 December 2015	31 December 2014
Due to minority shareholders of subsidiaries	56,034	47,973

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33. Other payables

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

	Note	31 December 2015	31 December 2014
Advance received		1,818,997	1,728,723
Transportation expenses		398,355	355,457
Accruals		974,573	987,885
Advance received for shipbuilding	(3)	437,013	411,873
Current account with subsidiary's minority	(4)	436,625	443,959
Quality guarantees		331,030	420,093
Equipment or land use rights		407,542	453,927
Professional and training fees		10,098	29,014
Housing maintenance fees		22,660	12,941
Royalties		7,098	17,561
Insurances		42,624	29,677
Others		398,399	395,842
Total		5,285,014	5,286,952

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

(3) Raffles and Gadidae AB entered into a ship-building contract, which was terminated afterwards, for the construction and sale of a submersible drilling rig from Raffles to Gadidae AB in 2007. Subsequently Gadidae AB and MSC entered into a contract which Gadidae AB would sell this vessel to MSC. Gadidae AB received USD67,300,000, equivalent to RMB437,013,000, progress billing from MSC in 2007. As of 31 January 2011, Gadidae AB has become the subsidiary of the Group.

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33. Other payables (Continued)

- (4) As at 31 December 2015, there was no other payables owed to shareholders holding more than 5% (including 5%) of the voting rights of the Group. Other payables owed to related parties are as listed follows:

Company name	Relationship with the Group	31 December 2015	31 December 2014
Marine Subsea & Consafe Limited	Associate	437,013	411,873
Eighty Eight Dragons Limited	Minority shareholder of subsidiary	182,640	168,695
Quercus Limited	Minority shareholder of subsidiary	53,791	49,978
Shunde Furi Real Estate Investment Co., Ltd	Minority shareholder of subsidiary	56,237	177,025
Gasfin Investment S.A.	Minority shareholder of subsidiary	44,093	44,447
Shanghai Fengyang Ningxia Changming Natural Gas Development Co.,Ltd.	Associate	26,390	26,390
Inland Services B.V. (Netherlands)	Minority shareholder of subsidiary	11,900	–
Frigstad Deepwater Holding Limited	Minority shareholder of subsidiary	5,445	3,484
Other related parties		50,244	–
		79,393	357
Total		947,146	882,249

34. Provisions

	Note	31 December 2014	Current year additions	Current year payment	Current year reversal	Exchange differences arising from translating foreign currencies	31 December 2015
Product warranties	(1)	700,051	353,696	(103,388)	(207,014)	(6,653)	736,692
Loss of pending actions		34,371	60,444	–	(5,611)	1,486	90,690
Guarantees for third parties		3,003	–	(528)	–	–	2,475
Others	(2)	23,627	35,104	(1,775)	(8,493)	(2,822)	45,641
Total		761,052	449,244	(105,691)	(221,118)	(7,989)	875,498

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34. Provisions (Continued)

- (1) The Group provides after-sales repair warranty to the customers, ranging from two to seven years for containers, one year for trailers, one to seven years for tank equipments, one to two years for airport ground facilities and one year for offshore business after delivery of vessels. The Group will provide repair and maintenance services in accordance with sales contracts during the warranty period in the event of any non-accidental breakdown or quality problems. The balance of "Provisions – Warranties for product quality" represents the Group's estimated obligation for such warranties of products sold out during the year and in the previous fiscal years.
- (2) HI, one of the subsidiaries, provides the guarantee for the banking loans by which the customers buy vehicle products from HI. HI would accrue a provision for the ending balance of the loan guarantee, considering the credit quality.

35. Current portion of non-current liabilities

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

	Note	31 December 2015	31 December 2014
Current portion of long-term borrowings	IV.37		
– Unsecured		60,913	1,835,538
– Mortgaged		477,093	200,340
– Guaranteed		110,997	15,000
		649,003	2,050,878
Current portion of long-term payables			
Finance lease payable		130,707	–
Less: unrealised financing expense		(15,483)	–
Finance lease payable-net	IV.39	115,224	–
Others		–	109
		115,224	109
Current portion of debentures payable	(2)	3,998,881	2,000,000
Current portion of other non-current liabilities		2,415	1,867
Total		4,765,523	4,052,854

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35. Current portion of non-current liabilities (Continued)

(2) Current portion of debentures payable

	31 December 2014	Transferred to current portion in current year	Interest accrued at par value	Amortisation for premium/ discount	Current year decrease	31 December 2015
Medium-term notes -11CIMC MTN1	-	3,996,080	-	2,801	-	3,998,881
Medium-term notes -12CIMC MTN1	2,000,000	-	-	-	(2,000,000)	-
Total	2,000,000	3,996,080	-	2,801	(2,000,000)	3,998,881

Refer to Note IV.38 for details.

36. Other current liabilities

	31 December 2015	31 December 2014
Commercial notes issued by the Group	-	2,452,511

37. Long-term borrowings

(1) Classification of long-term borrowings

	Note	31 December 2015	31 December 2014
Bank borrowings			
- Unsecured		17,509,934	12,087,004
- Mortgaged	(a)	4,486,878	744,048
- Guaranteed	(b)	2,337,029	330,122
		24,333,841	13,161,174
Less: current portion of long-term borrowings			
- Unsecured		60,913	1,835,538
- Mortgaged	(a)	477,093	200,340
- Guaranteed	(b)	110,997	15,000
		649,003	2,050,878
Total		23,684,838	11,110,296

- (a) As at 31 December 2015, the Group's current and non-current portion of long-term mortgaged loan were borrowed by CIMC USA Leasing. The non-current portion amounted to USD617,498,000 (equivalent to RMB4,009,785,000), and the current portion amounted to USD73,471,000 (equivalent to RMB477,093,000), both of which were mortgaged by the subject matters of financing lease contracts.

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37. Long-term borrowings (Continued)

(1) Classification of long-term borrowings (Continued)

- (b) As at 31 December 2015, the Group's long-term guaranteed borrowings were comprised of the following: bank borrowing of C&C Trucks amounted to RMB162,750,000 (including current portion of RMB50,000,000), which were guaranteed By HI, Wuhu Tairui Vehicle Ltd and bank guarantee from commercial bank.

Guaranteed bank loans of subsidiary CIMCVL included the following: loans amounted to USD329,231,000 (equivalent to RMB2,137,893,000) and CAD 7,466,000 (equivalent to RMB34,951,000), guaranteed by the Group and CIMC Hong Kong. Among which the current portion amounted to USD4,095,000 (equivalent to RMB26,591,000) and CAD 7,043,000 (equivalent to RMB32,971,000, respectively).

Current portion of long-term borrowings of Hongxin Berg amounted to RMB1,435,000 guaranteed by Xiamen Hongxin Entrepreneur Incubator Investment Co. Ltd., individuals Li Qiang and Wang Xiayun.

- (c) No amount due to the shareholders who hold 5% or more of the voting rights of the Company or due to related parties is included in the above balance of long-term borrowings.
- (d) As at 31 December 2015, the interest rate of long-term borrowing ranged from 1.20% to 6.77% (31 December 2014: 2.53% to 6.40%).

38. Debentures payable

	31 December 2014	Interest accrued at par value	Amortisation for premium / discount	Current year decrease	Exchange differences arising from translating foreign currencies	31 December 2015
Medium-term notes	3,996,080	-	2,801	(3,998,881)	-	-
Convertible bonds	459,000	-	-	(485,625)	26,625	-
Total	4,455,080	-	2,801	(4,484,506)	26,625	-

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38. Debentures payable (Continued)

(1) Related information is as follows:

Debenture name	Par value	Issuance date	Maturity	Issuance amount
Medium-term notes -11CIMC MTN1	4,000,000	23 May 2011	5 years	4,000,000
Convertible bonds	471,402	10 December 2012	3 years	471,402
Total	4,471,402			4,471,402

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

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

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

According to the agreement, when the CB have converted to Category B shares of NSR, NSR should buy-back 25%, 25% and 50% of the Category B shares at the end of 3, 4, and 5 years after the issuance of CB, respectively. The redemption price would depend on the offshore drilling platform's lease or sales price, but should make sure the original CB holder obtain not less than 15% internal rate of return. As of 31 December 2015, the bonds has expired, and NSR has bought back all the CB from the holders.

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39. Long-term payables

	31 December 2015	31 December 2014
Financial Lease payables	311,145	551,046
Less: unrealised financing expenses	(29,966)	(11,096)
Financial Lease payables-net	281,179	539,950
Payable to minority shareholders	120,789	120,789
Deposits payable	146,728	–
Others	1,440	11,823
Total	550,136	672,562

(1) Details of financial leasing payables

As at 31 December 2015, the total future minimum lease payments under finance leases, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the balance sheet date), were as follows:

	31 December 2015	31 December 2014
Minimum lease payments		
Within 1 year (inclusive)	130,707	–
Over 1 year but within 2 years (inclusive)	107,338	201,474
Over 2 years but within 3 years (inclusive)	81,708	187,322
Over 3 years	122,099	162,250
Sub-total	441,852	551,046
Less: unrecognised finance expenses	(45,449)	(11,096)
Carrying amounts	396,403	539,950

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

(2) As at 31 December 2015, there is no amount due to the shareholders who hold 5% or more of the voting rights of the Company. Amount due to related parties is as follows:

Company name	Relationship with the Group	31 December 2015	31 December 2014
Shunde Furi Real Estate Investment Co., Ltd	Subsidiaries' minority shareholder	120,789	120,789

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40. Payables for specific projects

	31 December 2014	Current year addition	Current year decrease	31 December 2015
Project funds	4,335	5,919	(5,030)	5,224
Others	610	1,002	(1,002)	610
Total	4,945	6,921	(6,032)	5,834

41. Deferred income

	Note	31 December 2014	Current year addition	Current year decrease	31 December 2015	Reason
Government grants	(1)	456,923	85,530	(36,942)	505,511	Government Grants received, to be recognised in future periods
Others		10,700	–	(4,549)	6,151	Outright sale of operating leasing receivables, to be recognised in future periods
Total		467,623	85,530	(41,491)	511,662	

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41. Deferred income (Continued)

(1) Government grants

Project name	31 December 2014	Current year additions	Recognised as non- operating income	Other changes	31 December 2015	Related to assets/ income
Enric relocation compensation	180,880	18,826	(26,940)	-	172,766	Related to assets
Enric new factory government grants	87,334	15,153	-	-	102,487	Related to assets
Shanxi CIMC Vehicle Industry Garden construction grants	-	33,207	-	-	33,207	Related to assets
C&C Trucks government build donation	30,000	-	-	-	30,000	Related to assets
TAS industrial base project	30,513	2,000	(2,541)	-	29,972	Related to assets
TCCIMC land compensation	22,391	-	(567)	-	21,824	Related to assets
Government subsidies of XHCIMCS	17,362	1,800	-	-	19,162	Related to assets
Government subsidies of Xinhui Modular Building Manufacturing	10,764	-	-	-	10,764	Related to assets
TAS information technology development special fund	5,250	2,800	-	-	8,050	Related to assets
MEA special funds to support industrial innovation	7,359	-	(919)	-	6,440	Related to assets
Zhenhua Group Drop and Pull Transport program	5,564	-	-	-	5,564	Related to assets
TAS technology development fund	5,000	-	-	-	5,000	Related to assets
Environmentally friendly mega deepwater floating production storage unit (FPSO) and application of the South China Sea	5,000	-	-	-	5,000	Related to assets
KGR R&D fund	4,495	-	-	-	4,495	Related to assets
Special equipment controller and system industrialization based on various communication interfaces of CCHQ	5,000	-	(1,000)	-	4,000	Related to assets
Transformation project of high-tech in Jiangsu Province of Yangzhou Runyang	3,435	1,000	(1,446)	-	2,989	Related to assets
CQLE Land grant fee refund	8,423	-	(201)	-	8,222	Related to income
MEA-other	6,301	-	-	-	6,301	Related to income
Enric major technology application fund	3,001	-	(1,500)	-	1,501	Related to income
Others	18,851	10,744	(1,828)	-	27,767	Related to assets/ income
Total	456,923	85,530	(36,942)	-	505,511	

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42. Other non-current liabilities

	31 December 2015	31 December 2014
Rental advance	11,389	–
Capital increment from strategic investors of HI ⁽¹⁾	60,246	–
Total	71,635	–

- (1) On 18 December 2015, Shanghai Taifuxiangzhong Private Equity Fund (Limited Partnership), Nanshan Dacheng New Material Investing Partnerships (LLP), SUMITOMO CORPORATION and Shenzhen Dragon-Source Harbor City Investing Development Co., Ltd. (together referred to as "new strategic investors") entered an additional investment on CIMC Vehicle (Group) Co., Ltd. (referred to as "HI") contract with the Company, China Resources SZITIC Trust Co., Ltd. and China International Marine Containers (Hong Kong) Limited (together referred to as "original shareholders"); according to the contract, new strategic investors provide additional investment on HI, amounted RMB1,089,626,462, RMB100,000,000, USD9,288,117 (equivalent to RMB60,246,411, based on the investing payment date exchange rate) and RMB100,000,000 respectively; after the additional investing, their shares on HI will be 16.822%, 1.544%, 0.929% and 1.544% of whole HI shares. Also, the contract regulates that if HI cannot launch a valid IPO before 31 December 2020, new strategic investors (except Shenzhen Dragon-Source Harbor City Investing Development Co., Ltd.) would have the right to ask the Company to repurchase their shares on HI in the form of cash. The repurchase price should be the sum of (a) the subscription price that the individual new strategic investor actually paid in this additional investing and (b) the total interest calculated based on 8% single interest per year and the period covered from the date of the subscription price actually paid to the date the controlling shareholders fully pay the repurchase amount.

As at 31 December 2015, the procedure of share alteration related to the additional investment had been completed. The equity of HI that the investors have right to ask repurchase should be fully recognised as a liability because of the existence of right of repurchase; since only SUMITOMO CORPORATION had fully paid the price of the additional investment, the relevant liability was RMB60,246,441.

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43. Share capital

	31 December 2014 '000	Current year additions '000	Current year decrease '000	Change of shares subject to selling restriction '000	31 December 2015 '000
Shares subject to trading restriction					
– Held by domestic natural person	634	232	–	–	866
Shares not subject to trading restriction					
– RMB-denominated ordinary shares	1,241,514	18,863	–	–	1,260,377
– Foreign shares listed overseas	1,430,481	286,096	–	–	1,716,577
Total	2,672,629	305,191	–	–	2,977,820

	31 December 2013 '000	Current year additions '000	Current year decrease '000	Change of shares subject to selling restriction '000	31 December 2014 '000
Shares subject to trading restriction					
– Held by domestic natural person	701	263	(330)	–	634
Shares not subject to trading restriction					
– RMB-denominated ordinary shares	1,231,214	9,970	–	330	1,241,514
– Foreign shares listed overseas	1,430,481	–	–	–	1,430,481
Total	2,662,396	10,233	(330)	330	2,672,629

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43. Share capital (Continued)

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

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

As at 31 December 2015, the company has settled the equity private placement with 286,096,100 H shares to COSCO Container Industries Co., Ltd., Broad Ride Limited and promotor Holdings Limited, the price of this private placement is HKD13.48 each share (equivalent to RMB11.28), the overall funding raised is HKD3,856,575,000 (equivalent to RMB3,227,639,000), and all funding has been collected before 31 December 2015. After the settlement of the private placement, the share capital of the Company amounted to 2,977,820,000 shares.

44. Other equity instruments

	31 December 2014	Current year issuance	Other changes in current year	31 December 2015
Perpetual bonds	–	1,981,143	51,900	2,033,043

On 16 June 2015, the Group issue unsecured perpetual bond at par value of RMB2,000 million. The net value amounted to RMB1,981,143,000 after the deduction of issue expenses. The equity instrument was issued for common corporate financing. The interest rate is 5.19% per annum at the first 3 interest-bearing year. The interest is paid once a year and the Group can choose to defer the payment. As of the fourth interest-bearing year, the coupon rate is reset every 3 years. This instrument has no settled maturity date, and the Group can choose to buy it back at the par value together with any accrued, unpaid or deferred interest after 16 June 2018 or later. Before the settlement of deferred interest (including the interest of deferred interest), the issuer can not distribute dividend, reduce capital or any other payment to securities that are inferior to the midterm notes of current period.

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45. Capital surplus

	31 December 2014	Current year additions	Current year decrease	31 December 2015
Share premium	305,734	3,271,914	–	3,577,648
Other capital surplus:				
– Exchange reserve on foreign currency capital	692	–	–	692
– Donated non-cash assets reserve	257	–	–	257
– Equity settled share-based payment	485,795	46,218	(129,126)	402,887
– Capital surplus due to share option exercised by subsidiary	16,151	(1,876)	–	14,275
– Capital surplus due to minority shareholders' contribution	101,376	106,284	–	207,660
– Decrease in minority interests resulted from disposal of subsidiary (not loss the controlling rights on the subsidiary)	457,189	441,939	–	899,128
– Capital surplus due to corporate restructuring	(42,696)	–	–	(42,696)
– Capital surplus due to acquiring minority shareholders' equity	(224,426)	(4)	–	(224,430)
– Capital surplus due to minority shareholders' contributor	(58,964)	–	–	(58,964)
– Effect of functional currency change	(406,795)	–	–	(406,795)
– Capital surplus due to acquisition or establishment of subsidiary	(51,925)	–	–	(51,925)
– Recognition of buy-back right granted to minority shareholders	–	(1,249,826)	–	(1,249,826)
Others	104,118	9,834	–	113,952
Total	686,506	2,624,483	(129,126)	3,181,863

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45. Capital surplus (Continued)

	31 December 2013	Current year additions	Current year decrease	31 December 2014
Share premium	201,222	104,512	–	305,734
Other capital surplus:				
– Exchange reserve on foreign currency capital	692	–	–	692
– Donated non-cash assets reserve	257	–	–	257
– Equity settled share-based payment	400,583	85,212	–	485,795
– Capital surplus due to share option exercised by subsidiary	5,179	10,972	–	16,151
– Capital surplus due to minority shareholders' contribution	101,376	–	–	101,376
– Decrease in minority interests resulted from disposal of subsidiary (not loss the controlling rights on the subsidiary)	457,189	–	–	457,189
– Capital surplus due to corporate restructuring	(42,696)	–	–	(42,696)
– Capital surplus due to acquiring minority shareholders' equity	(110,333)	–	(114,093)	(224,426)
– Capital surplus due to minority shareholders' contribution	(58,964)	–	–	(58,964)
– Effect of functional currency change	(406,795)	–	–	(406,795)
– Capital surplus due to acquisition or establishment of subsidiary	–	–	(51,925)	(51,925)
Others	104,118	–	–	104,118
Total	651,828	200,696	(166,018)	686,506

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46. Other Comprehensive Income

	2015					31 December 2015
	31 December 2014	Pre-tax amount incurred in current year	Less: Income tax	Post-tax amount attributable to the Company	Post-tax amount attributable to the minority	
Item that may be reclassified subsequently to profit and loss:						
– Property revaluation reserve	43,754	–	–	–	–	43,754
– Change in fair value of available-for-sale financial assets	1,932	(5,172)	–	(5,172)	–	(3,240)
– Cash flow hedges	(5,212)	1,339	(201)	1,138	–	(4,074)
– Exchange differences arising from translating foreign currencies	(887,661)	323,452	–	333,091	(9,639)	(554,570)
	(847,187)	319,619	(201)	329,057	(9,639)	(518,130)

	2014					31 December 2014
	31 December 2013	Pre-tax amount incurred in current year	Less: Income tax	Post-tax amount attributable to the Company	Post-tax amount attributable to the minority	
Item that may be reclassified subsequently to profit and loss:						
– Property revaluation reserve	43,754	–	–	–	–	43,754
– Change in fair value of available-for-sale financial assets	2,790	(858)	–	(858)	–	1,932
– Cash flow hedges	9,328	(14,540)	–	(14,540)	–	(5,212)
– Exchange differences arising from translating foreign currencies	(716,660)	(166,252)	–	(171,001)	4,749	(887,661)
	(660,788)	(181,650)	–	(186,399)	4,749	(847,187)

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47. Surplus reserve

	31 December 2014	Current year additions	Current year decrease	31 December 2015
Statutory surplus reserve	1,336,314	77,172	–	1,413,486
Discretionary surplus reserve	1,790,092	–	–	1,790,092
Total	3,126,406	77,172	–	3,203,578

	31 December 2013	Current year additions	Current year decrease	31 December 2014
Statutory surplus reserve	1,331,196	5,118	–	1,336,314
Discretionary surplus reserve	1,790,092	–	–	1,790,092
Total	3,121,288	5,118	–	3,126,406

In accordance with the Company Law and the Company's Articles of Association, the Company should appropriate 10% of net profit for the year (including shareholder and other equity holders of the Company) to the statutory surplus reserve, and the Company can cease appropriation when the statutory surplus reserve accumulated to more than 50% of the registered capital. The statutory surplus reserve can be used to make up for the loss or increase the paid in capital.

The Company appropriates for the discretionary surplus reserve after the shareholders' meeting approves the proposal from the Board of Directors. The discretionary surplus reserve can be used to make up for the loss or increase the paid in capital after approval from the appropriate authorities.

48. Undistributed profits

	Note	2015	2014
Undistributed profits at the beginning of the year		16,651,960	14,899,313
Add: net profit attributable to the shareholders and other equity holders of the Company for the current year		1,974,005	2,477,802
Less: Influence of issuing perpetual bonds		(51,900)	–
Less: appropriation for surplus reserve		(77,172)	(5,118)
Less: ordinary share dividends payable	(1)	(833,748)	(720,037)
Undistributed profits at the end of the year		17,663,145	16,651,960

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48. Undistributed profits (Continued)

(1) Dividends of ordinary shares declared during the year

	2015	2014
Dividends proposed but not declared	–	–
Total proposed dividends in the year	833,748	720,037

In accordance with the resolution at the shareholders' general meeting of the Company, dated on 8 June 2015, the Company paid a cash dividend in the amount of RMB0.31 per share to the ordinary shareholders on 22 July 2015 (2014: RMB0.27 per share), totalling RMB833,748,000 (2014: RMB720,037,000).

49. Revenue and cost of sales

	2015	2014
Revenue from main operations	57,259,634	68,773,066
Revenue from other operations	1,426,170	1,297,789
Cost of sales from main operations	47,401,899	58,018,973
Cost of sales from other operations	679,344	750,050

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

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49. Revenue and cost of sales (Continued)

(2) Revenue and cost of sales from main operations by industries and by products

Industry	2015		2014	
	Revenue from main operations	Cost of sales from main operations	Revenue from main operations	Cost of sales from main operations
Containers	20,118,765	17,267,584	23,319,277	20,300,442
Road transportation vehicles	12,352,550	10,008,734	12,794,515	10,753,377
Energy and chemical & food equipment	8,618,953	6,925,891	12,298,168	9,740,172
Offshore business	1,588,357	1,270,803	5,567,590	5,156,453
Airport facilities	2,675,952	2,171,847	2,623,886	2,122,138
Logistics services	7,632,238	6,936,838	8,098,360	7,321,150
Finance	1,678,647	618,472	1,257,269	464,708
Real estate	1,035,994	643,144	1,132,026	682,760
Heavy tuck	734,798	865,546	698,363	648,760
Others	823,380	693,040	983,612	829,013
Total	57,259,634	47,401,899	68,773,066	58,018,973

(3) Revenue and cost of sales from main operations by locations

	2015		2014	
	Revenue from main operations	Cost of sales from main operations	Revenue from main operations	Cost of sales from main operations
P.R. China	50,943,571	41,950,142	60,400,093	50,965,121
America	2,510,295	2,246,438	2,136,896	1,939,917
Europe	3,056,579	2,553,588	4,015,146	3,357,103
Asia (except for P.R. China)	423,569	421,670	1,626,699	1,300,878
Others	325,620	230,061	594,232	455,954
Total	57,259,634	47,401,899	68,773,066	58,018,973

The revenue and cost of sale from main operations by locations is determined on the location at which the services were provided or the goods were delivered.

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49. Revenue and cost of sales (Continued)

(4) Revenue and cost of sales from other operations

	2015		2014	
	Revenue from other operations	Cost of sales from other operations	Revenue from other operations	Cost of sales from other operations
Rendering of services	1,010,128	398,482	831,058	467,923
Sale of raw materials	416,042	280,862	466,731	282,127
Total	1,426,170	679,344	1,297,789	750,050

50. Taxes and surcharges

	2015	2014	Tax base
Business tax	135,939	123,246	3% – 5% of revenue
City maintenance and construction tax	141,816	145,489	7% of VAT and business tax paid
Educational sur-charge	103,554	109,563	3% – 5% of VAT and business tax paid
Land appreciation tax	40,773	15,311	Appreciation amount in transferring property and applicable tax rate
Others	10,948	9,496	
Total	433,030	403,105	

51. Selling and distribution expenses

	2015	2014
Transportation and distribution expenses	1,059,550	1,042,459
Employ benefit	599,812	477,745
Selling operation	235,326	163,695
Warranty	176,259	135,739
External sales commission	111,577	61,066
Storage	78,165	43,826
Advertising	57,885	46,608
Others	256,342	377,091
Total	2,574,916	2,348,229

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52. General and administrative expenses

	2015	2014
Employ Benefits	1,694,584	1,806,044
Technology development costs	542,312	591,756
Depreciation	255,813	195,551
Taxes and surcharges	232,646	214,764
Agency fees	187,215	227,248
Amortisation	169,356	165,525
Rental	110,985	129,024
Low-value consumables and materials consumed	82,748	107,981
Performance bonus and president bonus	71,000	272,944
Share-based payment expenses	62,370	95,591
Audit fees	10,760	9,460
Office expenditure, entertainment fee and others	727,194	840,587
Total	4,146,983	4,656,475

53. Financial expenses-net

	2015	2014
Interest expenses	921,180	1,166,695
Less: capitalised borrowing costs	423,520	412,821
Less: interest income	72,383	274,601
Exchange (gains)/losses	91,664	(19,910)
Others	110,860	59,824
Total	627,801	519,187

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54. Expenses by nature

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

	2015	2014
Finished goods and work-in-process movement	(413,264)	(168,434)
Consumption of raw materials and low priced and easily worn articles, etc	41,526,699	51,967,514
Salary and wages	6,293,535	6,425,427
Depreciation and amortisation	1,911,254	1,802,657
Rental	310,007	220,782
Financial expenses	627,801	519,187
Shipping and handling charges	1,144,002	1,042,459
Selling operation expenses	235,326	163,695
Technology development costs	542,312	591,756
Power expenses	621,705	650,431
Processing and repairing expense	431,046	307,799
Audit fees	10,760	9,460
– Audit service	10,760	9,460
– Service other than audit	–	–
Other expenses – other manufacturing expenses	419,895	765,508
Other expenses – other selling and distribution expenses	627,150	664,330
Other expenses – other general and administrative expenses	1,142,715	1,330,343
	55,430,943	66,292,914

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55. (Loss)/profit from changes in fair value

	2015	2014
Financial assets at fair value through profit or loss		
– Changes in fair value during the year		
1. Profit from changes in fair value of equity instrument held for trading	9,855	88,996
2. (Loss)/profit from changes in fair value of derivative financial instrument	156,261	(109,393)
– Profit for derecognised financial assets at fair value through profit or loss	(151,844)	(88,122)
Sub-total	14,272	(108,519)
Financial liabilities at fair value through profit or loss		
– Changes in fair value during the year		
1. Losses from changes in fair value of derivative financial instrument	(117,303)	(120,206)
Total	(103,031)	(228,725)

56. Investment income

(1) Investment income by categories

	2015	2014
Income from disposal of financial assets at fair value through profit	151,844	88,122
Income earned during the holding period of available-for-sale financial assets	–	5,000
Income earned from disposal of available-for-sale financial assets	4,928	7,941
(Loss)/income from long-term equity investment under equity method	241,649	59,124
(Loss)/income from disposal of long-term equity investment	3,333	(8,278)
Income from disposal of leasing business	371,129	239,659
Remeasurement of the fair value of equity interest in the acquiree held prior to the acquisition date recognised in investment (loss)/income	–	41,863
Others	3,223	2,470
Total	776,106	435,901

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57. Asset impairment losses

	2015	2014
Accounts receivable	68,693	20,033
Advance to suppliers	23,839	57,861
Other receivables	23,024	(7,675)
Inventories	92,239	64,770
Current portion of non-current assets	(7,685)	54,797
Long-term receivables	284,641	32,910
Fixed assets	26,479	60,879
Construction in progress	1,791	563
Goodwill	38,149	–
Total	551,170	284,138

58. Non-operating income

(1) Non-operating income by categories:

	2015	2014	Amount recognised in non-recurring profit or loss in 2015
Gains on disposal of non-current assets	33,876	21,081	33,876
Including: gains on disposal of fixed assets	31,191	16,982	31,191
gains on disposal of intangible assets	2,685	4,099	2,685
Compensation income	21,301	5,374	21,301
Penalty income	42,710	8,041	42,710
Government grants ⁽²⁾	298,893	294,996	298,893
Others	39,420	60,187	39,420
Total	436,200	389,679	436,200

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58. Non-operating income (Continued)

(2) Details of government grants

	2015	2014	Related to assets/income
Financial subsidies	236,968	281,523	Related to income
Tax refund	57,654	9,681	Related to income
Others	4,271	3,792	Related to income
Total	298,893	294,996	

59. Non-operating expenses

	2015	2014	Amount recognised in non-recurring profit or loss in 2015
Losses on disposal of non-current assets	51,464	54,291	51,464
Including: Losses on disposal of fixed assets	47,148	54,182	47,148
Losses on disposal of intangible assets	4,316	109	4,316
Donations	2,850	3,167	2,850
Penalty expenses	6,041	5,943	6,041
Compensation expenses	46,901	2,279	46,901
Abnormal losses	57,075	14,066	57,075
Others	9,253	37,391	9,253
Total	173,584	117,137	173,584

60. Income tax expenses

	2015	2014
Current income tax calculated based on tax law and related regulations	911,614	1,100,097
Deferred income tax	22,777	(563,609)
Total	934,391	536,488

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60. Income tax expenses (Continued)

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

	2015	2014
Profit before tax	3,206,352	3,570,416
Income tax expenses calculated at applicable tax rates	805,860	846,986
Effect of tax incentive	(169,656)	(176,829)
Expenses not deductible for tax purposes	110,624	128,608
Other income not subject to tax	(63,761)	(11,539)
Utilisation of previously unrecognised tax losses	(167,820)	(22,535)
Tax effect of unrecognised tax losses	295,360	178,608
Deductible temporary differences for which no deferred tax asset was recognised in previous years	(25,525)	(4,237)
Effect of tax rate change on deferred tax	8,810	6,343
Tax refund for income tax annual filing	1,490	1,847
Reverse of deferred income tax recognised in prior years	157,339	–
Income tax reversed for profit of foreign holding companies in current year	(18,330)	(410,764)
Income tax expenses	934,391	536,488

61. Earnings per share

(1) Basic earnings per share

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

	2015	2014
Consolidated profit attributable to ordinary shareholders and other equity holders of the Company	1,974,005	2,477,802
Influence of the issuing of perpetual bonds	(51,900)	–
Consolidated profit (adjusted) attributable to ordinary shareholders of the Company	1,922,105	2,477,802
Weighted average number of ordinary shares out-standing ('000)	2,681,116	2,666,735
Basic earnings per share (RMB/share)	0.72	0.93
Including: Going concern basic earnings per share	0.72	0.93

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61. Earnings per share (Continued)

(2) Diluted earnings per share

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

	2015	2014
Consolidated profit attributable to ordinary shareholders and other equity holders of the Company	1,974,005	2,477,802
Influence of the issuing of perpetual bonds	(51,900)	–
Effect of subsidiaries' share option program	(4,113)	(19,315)
Consolidated profit (adjusted) attributable to ordinary shareholders of the Company	1,917,992	2,458,487
Weighted average number of ordinary shares out-standing (diluted) ('000) (adjusted)	2,698,523	2,678,461
Diluted earnings per share (RMB/share)	0.71	0.92

(a) Calculation of weighted average number of ordinary shares outstanding (diluted):

	2015	2014
Weighted average number of ordinary shares out-standing ('000)	2,681,116	2,666,735
Effect of share options ('000)	17,407	11,726
Weighted average number of ordinary shares out-standing (diluted) ('000)	2,698,523	2,678,461

The board of directors the Company was authorised to grant 60,000,000 shares (2.01% of the total issued shares 2,977,819,686) to the senior management and other staffs. Refer to Note IX for details.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

62. Notes to the consolidated cash flow statement

(1) Cash received related to other operating activities

	2015	2014
Cash received from guarantee deposit, Security deposit	–	47,520
Cash received from government grants related to income	298,893	294,996
Cash received from penalty income	42,710	8,041
Cash received from compensation income	21,301	5,374
Others	128,291	177,377
Total	491,195	533,308

(2) Cash paid related to other operating activities

	2015	2014
Cash paid for transportation and distribution expenses	1,059,550	1,042,459
Cash paid for rental, insurance and other selling and distribution expenses	110,985	129,024
Cash paid for technical development costs	542,312	591,756
Cash paid for warranty	105,691	207,985
Cash paid for external sales commission	111,577	61,066
Cash paid for entertainment fee	727,194	851,827
Cash paid for travelling, office expenditure and other expenses in ordinary operation	2,214,162	1,709,449
Total	4,871,471	4,593,566

(3) Cash received related to other investing activities

	2015	2014
Cash received from government grants related to assets	42,884	–
Others	–	263,423
Total	42,884	263,423

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

(4) Cash received related to other financing activities

	2015	2014
Cash received from issuing of commercial paper	–	509
Cash received from disposal of subsidiaries equity (control remained)	249,595	–
Cash received from share option exercised by subsidiary	11,398	14,231
Total	260,993	14,740

(5) Cash paid related to other financing activities

	2015	2014
Cash paid for from acquiring minority interests	77,430	179,521

63. 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

	2015	2014
Consolidated net profit cash flow		
Net profit	2,271,961	3,033,928
Add: Provisions for asset impairment	551,170	284,138
Depreciation of fixed assets	1,581,295	1,442,306
Amortisation of intangible assets	227,862	219,517
Amortisation of investment properties and long-term prepaid expenses	102,097	140,834
Losses on disposal of fixed assets, intangible assets and other long-term assets	17,588	33,210
Losses on change in fair value	103,031	228,725
Financial cost	1,001,991	479,273
Investment income	(776,106)	(435,901)
Share-based payment expenses	62,370	95,591
Increase in deferred tax assets	(61,005)	(260,918)
Increase/(decrease) in deferred tax liabilities	49,255	(302,691)
Decrease in inventories	777,306	534,612
Increase in operating receivables	(6,712,675)	(1,425,708)
Increase/(decrease) in operating payables	(2,806,363)	2,367,561
Net cash flows from operating activities	(3,610,223)	6,434,477

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

63. Information to cash flow statement (Continued)

(1) Supplementary information to the consolidated cash flow statement (Continued)

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

The significant investing and financing activities that do not involve cash receipts and payments in 2015 was the share swap with China Fire Safety. Refer to Note VI.1(5) for details. Except for this, no other significant investing and financing activities existed.

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

	2015	2014
Cash and cash equivalents at the end of the year	3,259,123	2,935,251
Less: cash and cash equivalents at the beginning of the year	2,935,251	4,181,496
Net (decrease)/increase in cash and cash equivalents	323,872	(1,246,245)

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

	2015	2014
I. Information on acquisition of subsidiaries and other business units:		
Cash and cash equivalents paid for acquisition	323,695	552,500
Less: Cash and cash equivalents held by subsidiaries and other business units on acquisition date	152,313	731,111
Net cash paid/(gain) for the acquisition	171,382	(178,611)
Net assets held by the acquired subsidiaries		
Current assets	223,134	2,072,716
Non-current assets	354,060	2,164,695
Current liabilities	(294,549)	(3,305,309)
Non-current liabilities	(53,120)	(700,267)
Minority interest	(168,598)	(730,593)

(3) Cash and cash equivalents

	31 December 2015	31 December 2014
I. Cash		
Including: cash on hand	1,664	1,772
Cash at bank that can be readily drawn on demand	3,224,289	2,836,455
Other monetary fund that can be readily drawn on demand	33,170	97,024
II. Cash and cash equivalents at the end of the year	3,259,123	2,935,251

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

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

64. Monetary items denominated in foreign currency

	31 December 2015		
	Functional currency	Exchange Rate	in RMB
Monetary fund –			
USD	90,613	6.4935	588,396
HKD	105,002	0.8378	87,971
AUD	25,483	4.7281	120,486
THB	267,584	0.1800	48,165
GBP	5,491	9.6154	52,798
EUR	137,224	7.0972	973,906
JPY	343,067	0.0539	18,491
Others			104,314
			1,994,527
Accounts receivable –			
USD	614,959	6.4935	3,993,237
HKD	89,962	0.8378	75,371
JPY	458,527	0.0539	24,703
AUD	17,833	4.7281	84,315
EUR	130,525	7.0972	926,369
Others			31,192
			5,135,187
Other receivables –			
USD	125,407	6.4935	814,333
HKD	36,057	0.8378	30,208
EUR	16,645	7.0972	118,131
Others			44,299
			1,006,971
Long term receivables –			
USD	1,626,935	6.4935	10,564,502
EUR	30	7.0972	213
GBP	9,722	9.6154	93,483
			10,658,198

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

64. Monetary items denominated in foreign currency (Continued)

	31 December 2015		
	Functional currency	Exchange Rate	in RMB
Short-term borrowings –			
USD	2,451,372	6.4935	15,917,983
SGD	8,485	4.5872	38,922
EUR	41,336	7.0972	293,374
GBP	14,931	9.6154	143,569
AUD	7,198	4.7281	34,034
JPY	99,963	0.0539	5,388
Others			2,374
			16,435,644
Accounts payable –			
USD	259,874	6.4935	1,687,496
HKD	23,146	0.8378	19,392
EUR	108,299	7.0972	768,624
AUD	18,282	4.7281	86,441
THB	93,510	0.1800	16,832
Others			12,009
			2,590,794
Other payables –			
USD	163,075	6.4935	1,058,931
HKD	54,484	0.8378	45,647
JPY	33,858	0.0539	1,824
EUR	49,797	7.0972	353,422
AUD	1,316	4.7281	6,222
THB	9,239	0.1800	1,663
Others			57,152
			1,524,861
Long-term borrowings –			
USD	3,272,786	6.4935	21,251,836
HKD	99,998	0.8378	83,778
Others			1,977
			21,337,591
Long term payables –			
USD	222	6.4935	1,440

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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 obtention date	Cost of acquisition	The equity ratio	Acquisition method	The acquisition date	Deterministic accordance of the acquisition date	Income of the acquiree from the acquisition date to the end of the year	Net profit/(loss) of the acquiree from the acquisition date to the end of the year	Cash flows 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
Sino-Worlink Beijing ⁽²⁾	30 April 2015	60,000	50%	By cash	30 April 2015	Date of the approval of board of directors, resignation of former director, and examination and approval of the new constitution	69,375	(7,602)	(38,766)	(47,867)
Sino-Worlink Hong Kong ⁽²⁾	30 April 2015	45,000	50%	By cash	30 April 2015	The same as above	17,963	9,862	1,358	(630)
Hashenleng ⁽³⁾	1 August 2015	240,000	60%	By cash	1 August 2015	The same as above	159,765	19,052	3,166	2,147
Sichuan Jinke Gryogenic Engineering Co., Ltd.	1 April 2015	3,850	55%	By cash	1 April 2015	The same as above	14,193	323	64	142

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V. CHANGES IN THE SCOPE OF CONSOLIDATION (CONTINUED)

1. Business combinations involving enterprises not under common control (Continued)

(2) Sino-Worlink Beijing and Sino-Worlink Hong Kong

On 19 December 2014, CIMC Mordern Logistic Development Co.,Ltd. ("Mordern Logistic"), a subsidiary of the Group, entered into a share purchase agreement with the former shareholders of Sino-Worlink Beijing and Sino-Worlink Hong Kong. Pursuant to the agreement, Mordern Logistic offered RMB60,000,000 and RMB45,000,000 as considerations for 50% of the equity of Sino-Worlink Beijing and Hong Kong, respectively. The above mentioned transactions were completed on 30 April 2015. Pursuant to the regulations of Sino-Worlink Beijing and Sino-Worlink Hong Kong, Mordern Logistic made up three fifths of the board seats, which indicated the control of Mordern Logistic to the two companies.

Details of the costs of combination and goodwill recognised are as follows:

Costs of combination	Sino-Worlink Beijing	Sino-Worlink Hong Kong
Costs of combination (Cash)	60,000	45,000
Less: fair value of identifiable net assets obtained	49,086	23,834
Goodwill	10,914	21,166

The assets and liabilities of Sino-Worlink Beijing at the acquisition date are as follows:

Sino-Worlink Beijing	Acquisition date Fair value	Acquisition date Carrying amount	31 December 2014 Carrying amount
Cash at bank and on hand	126,867	126,867	47,396
Notes receivable	2,239	2,239	2,112
Accounts receivable	10,559	10,559	5,585
Prepayment	897	897	426
Other receivables	5,497	5,497	3,360
Inventories	60	38	347
Other current assets	233	233	277
Fixed assets	4,670	2,222	16,637
Intangible assets	59,210	–	–
Long-term prepaid expenses	5,739	5,739	2,899
Accounts payable	(149)	(149)	(154)
Advance from customers	(73,103)	(73,103)	(27,383)
Employee benefits payable	(628)	(628)	(458)
Taxes payable	(4,472)	(4,472)	(932)
Other payables	(24,027)	(24,027)	(1,091)
Deferred tax liabilities	(15,420)	–	–
Net assets	98,172	51,912	49,021
Less: Minority interests	49,086		
Net assets obtained	49,086		

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V. CHANGES IN THE SCOPE OF CONSOLIDATION (CONTINUED)

1. Business combinations involving enterprises not under common control (Continued)

(2) Sino-Worlink Beijing and Sino-Worlink Hong Kong (Continued)

The assets and liabilities of the acquiree at the acquisition date are as follows:

Sino-Worlink Hong Kong	Acquisition date Fair value	Acquisition date Carrying amount	31 December 2014 Carrying amount
Cash at bank and on hand	3,246	3,246	2,951
Prepayment	1	1	1
Long-term equity investments	205	184	–
Fixed assets	190	127	146
Construction in progress	574	574	597
Intangible assets	57,933	1,302	1,362
Taxes payable	(21)	(21)	(59)
Other payables	(2,674)	(2,674)	(2,474)
Dividends payable	(2,428)	(2,428)	–
Deferred tax liabilities	(9,358)	–	–
Net assets	47,668	311	2,524
Less: Minority interests	23,834		
Net assets obtained	23,834		

As at the date of acquisition, the fair values of identifiable intangible assets were defined by valuation, which mainly consist of customer relationships. Fair value of other assets and liabilities were approximately the carrying amount.

(3) Hashenleng

On 1 August 2015, Enric, a subsidiary of the Group, entered into a share purchase agreement with the former shareholders of Hashenleng, according to which Enric offered RMB240,000,000 in cash for 60% of the equity of Hashenleng.

Details of the costs of combination and goodwill recognised are as follows:

Costs of combination	
Cash paid	216,000
Other payables	24,000
Total cost of combination	240,000
Less: fair value of identifiable net assets obtained	138,556
Goodwill	101,444

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V. CHANGES IN THE SCOPE OF CONSOLIDATION (CONTINUED)

1. Business combinations involving enterprises not under common control (Continued)

(3) Hashenleng (Continued)

The assets and liabilities of the acquiree at the acquisition date are as follows:

	Acquisition date Fair value	Acquisition date Carrying amount	31 December 2014 Carrying amount
Cash at bank and on hand	21,858	21,858	15,435
Construction in progress	4,847	4,847	1,938
Fixed assets	45,818	45,818	34,271
Intangible assets	159,034	34	10,990
Inventories	83,418	83,418	47,449
Prepayment	10,790	10,790	32,675
Accounts receivable	55,061	55,061	93,258
Other receivables	32,057	32,057	26,700
Deferred tax assets	15,672	15,672	5,224
Bank borrowings	(5,000)	(5,000)	(5,000)
Accounts payable	(43,627)	(43,627)	(32,874)
Other payables	(125,151)	(125,151)	(16,696)
Deferred tax liabilities	(23,850)	–	–
Net assets	230,927	95,777	213,370
Less: Minority interests	92,371		
Net assets obtained	138,556		

As at the date of acquisition, the fair values of identifiable intangible assets were defined by valuation, which mainly consist of technological know-how and unsettled contracts. Fair value of other assets and liabilities were approximately the carrying amount.

2. Disposal of subsidiaries

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

VI. EQUITY IN OTHER ENTITIES

1. Equity in subsidiaries

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

As at 31 December 2015, the number of companies included in the scope of consolidation added up to 539. Except for the important subsidiaries listed as below, the number of other subsidiaries held by the Group was 301, with paid-in capital amounting to RMB457,977,653. Other subsidiaries mainly included those engaged in manufacturing or service provision, which have relatively small scale of operation and the paid-in capital was below RMB20 million or USD3 million. Other subsidiaries also included those investment holding companies with no operating activities registered in Hong Kong, British Virgin Islands or other overseas countries.

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination

(i) Domestic subsidiaries

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
1	Shenzhen Southern CIMC Containers Manufacture Co., Ltd. (SCIMC)	Business entity	Shenzhen, Guangdong	Shenzhen, Guangdong	Manufacture, repair and sale of container, container stockpiling business	USD16,600,000	75.00%	25.00%
2	Shenzhen Southern CIMC Logistics Equipment Manufacturing Co., Ltd. (SCIMCEL)	Business entity	Shenzhen, Guangdong	Shenzhen, Guangdong	Manufacture and repair of container, design and manufacture of new-style special road and port	USD80,000,000	15.56%	84.44%
3	Xinhui CIMC Container Co., Ltd. (XHCIMC) Xinhui CIMC Container	Business entity	Jiangmen, Guangdong	Jiangmen, Guangdong	Manufacture, repair and sale of containers	USD24,000,000	20.00%	50.00%
4	Nantong CIMC Shunda Containers Co., Ltd. (NTCIMC)	Business entity	Nantong, Jiangsu	Nantong, Jiangsu	Manufacture, repair and sale of containers	USD7,700,000	–	71.00%
5	Tianjin CIMC Containers Co., Ltd. (TJ CIMC)	Business entity	Tianjin	Tianjin	Manufacture and sale of container as well as relevant technical advisory, container stockpiling business	USD50,000,000	75.00%	25.00%
6	Dalian CIMC Containers Co., Ltd. (DLCIMC)	Business entity	Dalian, Liaoning	Dalian, Liaoning	Manufacture and sale of container as well as relevant technical advisory, container stockpiling business	USD17,400,000	42.53%	57.47%
7	Ningbo CIMC Logistics Equipment Co., Ltd. (NBCIMC)	Business entity	Ningbo, Zhejiang	Ningbo, Zhejiang	Manufacture and sales of containers and related technological consultancy, container storage	USD15,000,000	25.00%	75.00%
8	Taicang CIMC Containers Co., Ltd. (TCCIMC)	Business entity	Taicang, Jiangsu	Taicang, Jiangsu	Manufacture and repair of container	USD40,000,000	50.00%	50.00%

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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)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
9	Yangzhou Runyang Logistics Equipments Co., Ltd. (YZRYL)	Business entity	Yangzhou, Jiangsu	Yangzhou, Jiangsu	Manufacture, repair and sales of container	USD20,000,000	-	100.00%
10	Shanghai CIMC Yangshan Logistics Equipments Co., Ltd. (SHYSLE)	Business entity	Shanghai	Shanghai	Manufacture and sale of container as well as relevant technical advisory	USD20,000,000	60.00%	40.00%
11	Shanghai CIMC Reefer Containers Co., Ltd. (SCRC)	Business entity	Shanghai	Shanghai	Manufacture and sale of refrigeration and heat preservation device of reefer container, refrigerator car and Heat; Preservation car	USD31,000,000	72.00%	20.00%
12	Nantong CIMC Special Transportation Equipment Manufacture Co., Ltd. (NTCIMCS)	Business entity	Nantong, Jiangsu	Nantong, Jiangsu	Manufacture, sale and repair of various trough, tank as well as various special storing and transporting equipments and parts	USD10,000,000	-	71.00%
13	Xinhui CIMC Special Transportation Equipment Co., Ltd. (XHCIMCS)	Business entity	Jiangmen, Guangdong	Jiangmen, Guangdong	Manufacture and sale of various container, semi-finished container product and relevant components product and relevant components and maintenance service	USD65,499,000	19.01%	80.99%
14	Nantong CIMC Tank Equipment Co., Ltd (NTCIMCT)	Business entity	Nantong, Jiangsu	Nantong, Jiangsu	Manufacture and sale of various container, semi-finished container product and relevant components product and relevant components and maintenance service	USD25,000,000	-	70.83%

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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)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
15	Dalian CIMC Railway Equipment Co., Ltd (DLCIMCS)	Business entity	Dalian, Liaoning	Dalian, Liaoning	Design, manufacture and sale of various railway freight equipment products	USD20,000,000	55.00%	45.00%
16	Nantong CIMC Large-sized Tank Co., Ltd.	Business entity	Nantong, Jiangsu	Nantong, Jiangsu	Design, production and sale of tanks and relevant parts; undertaking tank-related general contracting projects	USD4,770,000	-	70.83%
17	Shenzhen CIMC Special Vehicle Co., Ltd. (CIMCSV)	Business entity	Shenzhen, Guangdong	Shenzhen, Guangdong	Development, production and sales of various special-use vehicles, as well as relevant components and parts	RMB200,000,000	-	63.33%
18	Qingdao CIMC Special Vehicle Co., Ltd. (QDSV)	Business entity	Qingdao, Shandong	Qingdao, Shandong	Development, production and sales of various special-use vehicles, refitting trailer series as well as relevant components and parts	RMB62,880,000	44.34%	35.25%
19	Foshan CIMC logistics equipment Co., Ltd ("Foshan Logistics")	Business entity	Foshan, Guangdong	Foshan, Guangdong	Design, production, sale and maintenance of logistics and tooling equipment	RMB3,000,000	-	100.00%
20	Shanghai CIMC Vehicle Logistics Equipments Co., Ltd. (SHL)	Business entity	Shanghai	Shanghai	Development, construction, operation leasing, sales of warehousing and auxiliary facilities	RMB90,204,100	-	63.33%
21	Shenzhen CIMC Wood Co., Ltd. ("CIMC Wood")	Business entity	Shenzhen, Guangdong	Shenzhen, Guangdong	Production and sales of floors for containers and related products; relevant service	RMB30,000,000	12.00%	88.00%

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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)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
22	CIMC Vehicle (Liaoning) Co., Ltd. (LNVS)	Business entity	Yingkou, Liaoning	Yingkou, Liaoning	Development and production of various special-use vehicles as well as components and parts; relevant service	RMB60,000,000	-	63.33%
23	Tianjin Port CIMC Zhenhua Logistics Co., Ltd. ("Tianjin Port CIMC")	Business entity	Tianjin	Tianjin	International and domestic freight agency	RMB100,000,000	-	61.50%
24	CIMC -SHAC (Xi'an) Special Vehicle Co., Ltd. (XASV)	Business entity	Xi'an Shaanxi	Xi'an Shaanxi	Development and production of various trailer, special-use vehicles as well as components and parts; professional services	RMB50,000,000	-	47.50%
25	Gansu CIMC Huajun Vehicle Co., Ltd. (GSHJ)	Business entity	Baiyin, Gansu	Baiyin, Gansu	Refitting of special vehicles, manufacture of trailer and fittings as well as automobile fittings; sales of relevant materials	RMB25,000,000	-	63.33%
26	Xinhui CIMC Composite Material Manufacture CO., LTD (XHCM)	Business entity	Jiangmen, Guangdong	Jiangmen, Guangdong	Production, development, processing and sales of various composite plate products such as plastics, plastic alloy	RMB129,000,000	-	63.33%
27	Qingdao CIMC Eco-Equipment Co., Ltd. (QDHB)	Business entity	Qingdao, Shandong	Qingdao, Shandong	Development, manufacture, sales and service for garbage treatment truck and the components and parts	RMB137,930,000	-	51.93%
28	Shanghai CIMC Special Vehicle Co., Ltd. (SHCIMCV)	Business entity	Shanghai	Shanghai	Development and production of box trailer, box car as well as relevant mechanical products	RMB30,000,000	-	63.33%

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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)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
29	CIMC Financing and Leasing Co., Ltd. (CIMCVL)	Business entity	Shenzhen, Guangdong	Shenzhen, Guangdong	Finance lease business; disposal and maintenance for residual value of leased property; advisory and warranty for leasing transaction	USD70,000,000	75.00%	25.00%
30	Qingdao Refrigeration Transport Equipment Co., Ltd. (QDRV)	Business entity	Qingdao, Shandong	Qingdao, Shandong	Manufacture and sales of various, manufacture and sales of various other transport equipments and spare parts	USD29,405,000	-	76.44%
31	Nantong CIMC Tank Equipment Co., Ltd. (NTCY)	Business entity	Nantong, Jiangsu	Nantong, Jiangsu	Manufacture and repair of large-sized tank, production of various pressurization tank car, special pressurization trough, tank and parts	RMB69,945,600	-	70.83%
32	Shenzhen CIMC - Tianda Airport Support Ltd. (TAS)	Business entity	Shenzhen, Guangdong	Shenzhen, Guangdong	Production and operation of various airport-purpose electromechanical equipment products	USD13,500,000	-	35.92%
33	Xinhui CIMC Wood Co., Ltd. (XHCIMCW)	Business entity	Jiangmen, Guangdong	Jiangmen, Guangdong	Production and sales of container-purpose wood floor and relevant products of various specifications; providing relevant technical advisory service	USD15,500,000	-	100.00%
34	Inner Mongolia Holonbuir CIMC Wood Co., Ltd. (NMGW)	Business entity	Inner Mongolia	Inner Mongolia	Production and sales of various container wood floors and wood products for transport equipments	USD12,000,000	-	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)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
35	Jiaxing CIMC Wood Co., Ltd. (JXW)	Business entity	Jiaxing, Zhejiang	Jiaxing, Zhejiang	Production and sales of container wood floors, wood products for transport equipments and other wood products	USD5,000,000	-	100.00%
36	Shenzhen Southern CIMC Containers Service Co., Ltd. (SCIMCL)	Business entity	Shenzhen, Guangdong	Shenzhen, Guangdong	Engaged in container transshipment, stockpiling, devanning, vanning, maintenance	USD5,000,000	-	100.00%
37	Ningbo CIMC Container Service Co., Ltd. (NBCIMCL)	Business entity	Ningbo, Zhejiang	Ningbo, Zhejiang	Goods traffic; goods package, sorting, examination and logistics advisory service	RMB30,000,000	-	100.00%
38	Shanghai CIMC Yangshan Container Service Co., Ltd. (SHYLE)	Business entity	Shanghai	Shanghai	Container transshipment, stockpiling, devanning, vanning, and warehousing, container maintenance, try-off and technical service	USD7,000,000	-	95.00%
39	CIMC Shenfa Development Co., Ltd. (CIMC SD)	Business entity	Shanghai	Shanghai	Investment, construction and operation for infrastructure; real estate development and operation	RMB204,123,000	98.53%	1.47%
40	CIMC Vehicle (Xinjiang) Co., Ltd. (SJ4S)	Business entity	Urumqi, Xinjiang	Urumqi, Xinjiang	Production and sales of mechanical equipments as well as relevant technical development	RMB80,000,000	-	63.33%
41	CIMC Vehicle (Group) Co., Ltd. (HI)	Business entity	Shenzhen, Guangdong	Shenzhen, Guangdong	Development, production and sales of various high-tech and high-performance special vehicle and trailer series	USD212,225,100	44.33%	19.00%

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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)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
42	Qingdao CIMC Special Reefer Co., Ltd. (QDCSR)	Business entity	Qingdao, Shandong	Qingdao, Shandong	Manufacture of various container, semi-finished container product and relevant components and parts	USD39,184,100	5.08%	94.92%
43	Tianjin CIMC Logistics Equipments Co., Ltd. (TJICMCLE)	Business entity	Tianjin	Tianjin	Design, manufacture, sale, maintenance and relevant technical advisory for logistics equipments and relevant components and parts	USD10,000,000	75.00%	25.00%
44	Dalian CIMC Logistics Equipment Co., Ltd. (DLL)	Business entity	Dalian, Liaoning	Dalian, Liaoning	Design, manufacture, sale, maintenance and relevant technical advisory for international trade, entrepot trade, logistics equipment and pressure vessel	USD14,000,000	50.00%	50.00%
45	Chongqing CIMC Logistics Equipments Co., Ltd. (CQLE)	Business entity	Chongqing	Chongqing	Design, manufacture, lease, maintenance of container, special container, other logistic equipment and relevant components and parts	USD8,000,000	75.00%	25.00%
46	Dalian CIMC Heavy Logistics Equipments Co., Ltd. (DLZH)	Business entity	Dalian, Liaoning	Dalian, Liaoning	International trade, entrepot trade; design, manufacture, sale, and relevant technical advisory of pressure vessel;	USD45,170,000	62.70%	37.30%
47	Shenzhen CIMC Intelligent Technology Co., Ltd. ("CIMC Tech")	Business entity	Shenzhen, Guangdong	Shenzhen, Guangdong	Design, development, sale, surrogate of electron production software and system	RMB59,750,000	70.00%	10.00%

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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
48	CIMC Taicang refrigeration equipment logistics Co., Ltd. (TCCRC)	Business entity	Taicang, Jiangsu	Taicang, Jiangsu	Research and development, production and sale of reefer container and special container	RMB450,000,000	-	100.00%
49	Hunan CIMC Bamboo Industry Development Co., Ltd. (HNW)	Business entity	Suining, Hunan	Suining, Hunan	Manufacturing and sale of bamboo and wood product	RMB28,000,000	-	100.00%
50	CIMC Jidong (Qinhuangdao) Vehicles Manufacture Co., Ltd (QHJV)	Business entity	Qinhuangdao, Hebei	Qinhuangdao, Hebei	Sale of car and car components and parts	RMB70,000,000	-	47.50%
51	Shenzhen South CIMC Logistics Co., LTD ("South Logistics")	Business entity	Shenzhen, Guangdong	Shenzhen, Guangdong	Design and research of energy and chemical & food equipment Technology contract transfer, etc.	RMB80,000,000	90.62%	9.38%
52	CIMC Management and Training (Shenzhen) Co., Ltd. ("CIMC Training")	Business entity	Shenzhen, Guangdong	Shenzhen, Guangdong	Design of marketing activities scheme organization of academic and commercial conference and exhibition	RMB50,000,000	100.00%	-
53	Yangzhou Lijun Industry and Trade Co., Ltd. ("Yangzhou Lijun")	Business entity	Yangzhou, Jiangsu	Yangzhou, Jiangsu	Production and sales of mechanical equipments and relevant components and parts; technical advisory and other service	RMB70,000,000	-	100.00%
54	Yangzhou Tali Special Equipment Co., Ltd. ("Yangzhou Tali")	Business entity	Yangzhou, Jiangsu	Yangzhou, Jiangsu	Design, manufacturing and maintenance of containers, board square cabin and; relevant components and parts relevant advisory and service	RMB70,000,000	-	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)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
55	Yantai CIMC Marine Engineering Academe Co., Ltd. ("MEA")	Business entity	Yantai, Shandong	Yantai, Shandong	Research and development of marine operation platform and other marine	RMB150,000,000	75.00%	25.00%
56	Shanghai Lifan Container Service Co., Ltd. ("Shanghai Lifan")	Business entity	Shanghai	Shanghai	Refitting and maintenance of containers; providing containers information system management and advisory service	RMB1,000,000	-	70.00%
57	CIMC Wood Development Co., Ltd. ("CIMCWD")	Business entity	Dongguan, Guangdong	Dongguan, Guangdong	Development, production and sales of wood products for various modern transportation equipment	RMB78,364,000	75.00%	25.00%
58	Shenzhen CIMC Skyspace Real Estate Development Co., Ltd. ("CIMC Tianyu")	Business entity	Shenzhen, Guangdong	Shenzhen, Guangdong	Real estate development	RMB254,634,100	-	82.00%
59	Yangzhou CIMC grand space Real Estate Development Co., Ltd. ("CIMC Haoyu")	Business entity	Yangzhou, Jiangsu	Yangzhou, Jiangsu	Real Estate Development, sales and leasing	RMB25,000,000	-	89.20%
60	Ningbo Runxin Container Co., Ltd. ("Ningbo Runxin")	Business entity	Ningbo, Zhejiang	Ningbo, Zhejiang	Cleaning and repair of containers, devanning, vanning	RMB5,000,000	-	60.00%
61	Chengdu CIMC Industrial Park Investment and Development Co., Ltd. ("Chengdu Industrial Park")	Business entity	Chengdu, Sichuan	Chengdu, Sichuan	Construction, management and lease of storage and relevant facilities; sales of vehicles and accessories	RMB60,000,000	-	63.33%
62	CIMC Finance Company ("Finance Company")	Business entity	Shenzhen, Guangdong	Shenzhen, Guangdong	Providing financial service to fellow subsidiaries in the Group	RMB500,000,000	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)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
63	Shenzhen CIMC Investment Holding company ("SZ Investment Holding")	Business entity	Shenzhen, Guangdong	Shenzhen, Guangdong	Equity investment; sales and leasing of containers and container property	RMB75,000,000	100.00%	-
64	Zhumadian CIMC Huajun Vehicle Trading Co., Ltd. ("HJQM")	Business entity	Zhumadian, Henan	Zhumadian, Henan	Sales and repair of various vehicles, as well as relevant components and parts	RMB10,000,000	-	63.33%
65	Zhumadian CIMC Huajun Casting Co. Ltd. (HJCAST)	Business entity	Zhumadian, Henan	Zhumadian, Henan	Casting manufacturing for vehicle and coal	RMB297,762,000	-	63.33%
66	Ocean Engineering Design & Research Institute of CIMC (SHOE)	Business entity	Shanghai	Shanghai	Design and research of marine operation platform and other ocean engineering	RMB50,000,000	80.00%	20.00%
67	Shenzhen CIMC Investment Co., Ltd ("SZ Investment")	Business entity	Shenzhen, Guangdong	Shenzhen, Guangdong	Equity investment, investment management and related investment business	RMB140,000,000	100.00%	-
68	Shenzhen Sky Capital Co., Ltd (SESKYC)	Business entity	Shenzhen, Guangdong	Shenzhen, Guangdong	Equity investment, investment management and related investment business	RMB100,000,000	90.00%	10.00%
69	Ningbo MRO Trading Co., Ltd. (MRO)	Business entity	Ningbo, Zhejiang	Ningbo, Zhejiang	Production and sales of gas mask and other plastic productions	RMB10,000,000	-	100.00%
70	Shenzhen CIMC Container Holding Co., Ltd. ("Container Holding")	Business entity	Shenzhen, Guangdong	Shenzhen, Guangdong	Equity investment and management and related investment business	RMB1,979,000,000	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
71	Chengdu CIMC Logistics Equipments Co., Ltd. ("Chengdu Logistics Equipment")	Business entity	Chengdu, Sichuan	Chengdu, Sichuan	Chemical liquid tank truck and semi-trailer	RMB15,000,000	-	63.33%
72	Shanxi CIMC Vehicle Industry Garden ("Shanxi Vehicle Garden")	Business entity	Xianyang, Shaanxi	Xianyang, Shaanxi	Production and sales of various special vehicle	RMB80,000,000	-	63.33%
73	CIMC Holdings (B.V.I.) Limited ("CIMC BVI")	Business entity	Jiangmen, Guangdong	Jiangmen, Guangdong	Equity investment, property investment and investment management	RMB130,000,000	-	100.00%
74	CIMC modular building design & Development Co. Ltd. ("Modular design")	Business entity	Jiangmen, Guangdong	Jiangmen, Guangdong	Design modular building and decorations	RMB50,000,000	-	87.40%
75	CIMC Cold Chain Research Institute Co., Ltd. ("Cold Chain Research")	Business entity	Qingdao, Shandong	Qingdao, Shandong	Standard shipping of refrigerated containers and special refrigerated containers	RMB50,000,000	-	100.00%
76	CIMC Cold Chain Investment Co. Ltd. ("Cold Chain Investment")	Business entity	Qingdao, Shandong	Qingdao, Shandong	Property and project investments	RMB979,000,000	-	100.00%
77	Shenyang CIMC Industrial Park Investment and Development Co., Ltd. ("Shenyang Vehicle Garden")	Business entity	Shenyang, Liaoning	Shenyang, Liaoning	Investment management, asset trustee management	RMB50,000,000	-	63.33%
78	Shenzhen Tianda CIMC Logistics System Engineering Co Ltd ("Tianda Logistics")	Business entity	Shenzhen, Guangdong	Shenzhen, Guangdong	Automatic logistics system engineering, real-time logistics management system	RMB60,000,000	-	35.92%

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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
79	Dongguan Cimc Innovation Industrial Park Development Co., Ltd. ("Dongguan innovation park")	Business entity	Dongguan, Guangdong	Dongguan, Guangdong	Innovation industrial park investment, real estate development & management	RMB50,000,000	-	82.00%
80	Zhejiang Teng Long Industry Group Co., Ltd. ("Teng Long industry")	Business entity	Quzhou, Zhejiang	Quzhou, Zhejiang	Sale of wood and bamboo products, bamboo and wood technology research and development, consulting	RMB6,000,000	-	51.00%
81	Guangdong Xinhui Modular Building Manufacturing Co. Ltd. ("Xinhui Modular")	Business entity	Jiangmen, Guangdong	Jiangmen, Guangdong	Production and sale of integrated houses, prefabricated houses, metal structure	RMB80,000,000	-	100.00%
82	Shenzhen CIMC new process of Automotive Supply Chain Management Co. Ltd. ("New Process")	Business entity	Shenzhen, Guangdong	Shenzhen, Guangdong	Supply Chain Management	RMB10,000,000	-	60.00%
83	Shanghai Xinzhitu Logistics ("Shanghai Xinzhitu")	Business entity	Shanghai	Shanghai	International Freight transport agents, general cargo transport	RMB10,000,000	-	100.00%
84	Qianhai CIMC leasing (Shenzhen) Co., Ltd. ("Qianhai rental")	Business entity	Shenzhen, Guangdong	Shenzhen, Guangdong	Financing lease business Lease transaction advisory	USD80,000,000	-	100.00%
85	Shenyang CIMC logistics equipment Co., Ltd. ("Shenyang Logistics")	Business entity	Shenyang Liaoning	Shenyang Liaoning	Manufacturing, R&D, sales, installation and advisory of logistics equipment	RMB6,000,000	-	100.00%
86	Langfang CIMC airport equipment Limited company ("Langfang")	Business entity	Langfang Hebei	Langfang Hebei	Production and operation of various airport and port mechanical	RMB10,000,000	-	35.92%

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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
87	Yantai Tiezhongbao steel processing Co., Ltd. ("Yantai Tiezhongbao")	Business entity	Yantai Shandong	Yantai Shandong	R&D, manufacturing leg structure; sales of products	USD9,150,200	-	65.00%
88	Qingdao CIMC Innovation Industrial Park Development Co. Ltd. ("Qingdao Creative Industry Park")	Business entity	Qingdao Shandong	Qingdao Shandong	Development and management of real estate and property; advisory service for real estate and investment	RMB10,000,000	-	82.00%
89	Anhui United Feicai Vehicle Co., Ltd. ("United Feicai")	Business entity	Xuancheng Anhui	Xuancheng Anhui	Production and sales of various special-use vehicles and engineering machinery	RMB158,000,000	-	66.24%
90	Zhenghua (Tianjin) Container Service Co., Ltd. ("Zhenghua Container Service")	Business entity	Tianjin	Tianjin	Domestic and international freight transport agents, and relevant advisory service	RMB85,761,300	-	75.00%
91	Kunshan CIMC Automatic logistic equipment Co., Ltd. ("Kunshan CIMC")	Business entity	Kunshan Jiangsu	Kunshan Jiangsu	Automatic logistics system, and air cargo handling system	RMB80,000,000	-	35.92%
92	CIMC Tianda (Longyan) Investment Development Co., Ltd.	Business entity	Longyan Fujian	Longyan Fujian	The parking lot investment, asset management and real estate development business	RMB20,000,000	-	21.55%
93	Albert Ziegler GmbH (Beijing) Sales Co., Ltd. ("Ziegler")	Business entity	Beijing	Beijing	Fire trucks, rescue vehicles and relevant accessories, machinery equipment import-export business and relevant agent business	EUR 1,500,000	-	72.00%
94	Shenzhen CIMC Yuanwang Valley Intelligent Technology Co., LTD ("Shenzhen yuanwang valley")	Business entity	Shenzhen, Guangdong	Shenzhen, Guangdong	Automatic identification products, radio frequency identification systems and products and relevant advisory business	RMB10,000,000	-	60.80%

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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)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
95	Shenzhen CIMC Electricity Commerce and Logistics Technology Co., LTD	Business entity	Shenzhen, Guangdong	Shenzhen, Guangdong	The development of electric commerce platform and domestic trade	RMB100,000,000	-	70.00%
96	Nantong CIMC Sanctum Cryogenic Equipment Co., Ltd ("Sanctum Nantong")	Business entity	Nantong Jiangsu	Nantong Jiangsu	Manufacture and sales of cryogenic equipment and chemical metallurgy equipment, etc.	RMB20,000,000	-	70.83%
97	Dongguan CIMC Special Vehicle Co., Ltd. ("Dongguan CIMC Special Vehicle")	Business entity	Dongguan Guangdong	Dongguan Guangdong	Development, production and sales of various special-use vehicles, refitting vehicles, special vehicles, trailer series	RMB200,000,000	-	63.33%
98	Guandong CIMC Vehicle Industry Garden ("Guandong Vehicle Industry Garden")	Business entity	Dongguan Guangdong	Dongguan Guangdong	Project investment, real estate development, rental and sales of houses and sites	RMB30,000,000	-	63.33%
99	Zhenhua (Tianjin) supply chain management co., LTD ("Zhenhua supply chain management")	Business entity	Tianjin	Tianjin	Warehouse service; Logistic Distribution, and loading, unloading, handling services	RMB79,475,000	-	75.00%
100	CIMC Technology Co., LTD ("Jiangmen CIMC technology")	Business entity	Jiangmen Guangdong	Jiangmen Guangdong	Intelligent equipment technology development Industrial investment	RMB50,000,000	-	100.00%
101	Shenzhen CIMC Vehicle Park Investment Management Co., Ltd. ("Shenzhen Vehicle Park")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Investment management, assets fiduciary management	RMB152,500,000	-	63.33%
102	CIMC Modern Logistic Development Co., Ltd. ("Modern Logistic")	Business entity	Tianjin	Tianjin	International and domestic freight transport agents, general and CIQ affairs	RMB700,000,000	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)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
103	Dongguan Southern CIMC Logistic Equipment Manufacturing Co., Ltd. ("Dongguan Southern CIMC")	Business entity	Dongguan Guangdong	Dongguan Guangdong	Manufacture and repair container and containers stacking storage operation	RMB600,000,000	10.00%	90.00%
104	Ningbo CIMC Container Manufacture Co., Ltd. ("Ningbo Container Manufacture")	Business entity	Ningbo	Ningbo	Manufacture, production and sales of containers	RMB500,000,000	-	100.00%
105	Shenzhen CIMC Peng Feng Venture Investment Co., LTD ("Peng Feng Venture Investment")	Business entity	Shenzhen	Shenzhen	Equity investment	RMB50,000,000	-	100.00%
106	Shenzhen Three HuaZhuoYue investment co., LTD ("Shenzhen Three HuaZhuoYue")	Business entity	Shenzhen	Shenzhen	Investment holding	RMB30,000,000	-	66.24%
107	Guangdong Hui Zhong Da Laser equipment co., LTD ("Guangdong Laser Equipment")	Business entity	Jiangmen	Jiangmen	Manufacture of laser equipment	RMB31,800,000	19.01%	80.99%
108	Yangzhou CIMC Hongyu Real Estate Co., Ltd. ("Yangzhou Hongyu Real Estate")	Business entity	Yangzhou	Yangzhou	Real estate development; sales and lease of properties investment in properties	RMB25,000,000	-	82.00%
109	Yangzhou CIMC Dayu Real Estate Co., Ltd. ("Yangzhou Dayu Real Estate")	Business entity	Yangzhou	Yangzhou	Real estate development; sales and lease of properties	RMB25,000,000	-	82.00%
110	Yangzhou CIMC Huayu Hotel Investment Co., Ltd. ("Yangzhou Huayu Hotel")	Business entity	Yangzhou	Yangzhou	Food and beverage service, corporate management; advisory and investment management	RMB35,000,000	-	82.00%

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1. Equity in subsidiaries (Continued)

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

(i) Domestic subsidiaries (Continued)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
111	Zhenjiang CIMC Embellish Yu Real Estate Co., LTD	Business entity	Zhenjiang	Zhenjiang	Real estate development; sales and lease of properties	RMB30,000,000	-	82.00%
112	Zhengzhou Constant Embellish Energy Co., LTD ("Zhengzhou Constant Energy")	Business entity	Zhengzhou	Zhengzhou	Asset management	RMB43,000,000	-	66.00%
113	CIMC Enric Investment Holdings (Shenzhen) Ltd. ("Enric Shenzhen investment holding")	Business entity	Shenzhen	Shenzhen	Investment holding	USD30,000,000	-	70.83%
114	Zhangjiagang CIMC Sanctum Cryogenic Equipment Machinery Co., Ltd. ("Sanctum Cryogenic")	Business entity	Zhangjiagang	Zhangjiagang	Manufacture, process and sales of cryogenic equipment, petroleum chemical equipment mental products and relevant parts; related advisory service	RMB30,000,000	-	63.75%
115	Tianjin Hongxin Berg Leasing Co. Ltd. ("Tianjin Hongxin Berg")	Business entity	Tianjin	Tianjin	Financial leasing	RMB20,000,000	-	51.00%
116	Shenzhen Heben Pesticide & Chemicals Co., Ltd. ("Heben technology")	Business entity	Shenzhen	Shenzhen	Sales and service	RMB20,000,000	-	70.00%
117	Guangzhou E-station Information Technology Co., Ltd. ("E-station Technology")	Business entity	Guangzhou	Guangzhou	Sales and service	RMB20,000,000	-	70.00%

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1. Equity in subsidiaries (Continued)

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

(ii) Overseas subsidiaries

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
118	CIMC Holdings (B.V.I.) Limited ("CIMC BVI")	Business entity	British Virgin Islands	British Virgin Islands	Investment holding	USD50,000	-	100.00%
119	CIMC Tank Equipment Investment Holdings Co., Ltd. ("Tank Equipment Investment")	Business entity	Hongkong, China	Hongkong, China	Investment holding	HKD4,680,000	-	100.00%
120	CIMC-SMM Vehicle (Thailand) CO., LTD. ("Thailand V")	Business entity	Thailand	Thailand	Production and sales of various special vehicles	THB260,000,000	-	51.93%
121	CIMC Vehicle Investment Holding Co., Ltd. ("CIMC Vehicle")	Business entity	Hongkong, China	Hongkong, China	Investment holding	USD1	-	63.33%
122	CIMC Europe BVBA ("BVBA")	Business entity	Belgium	Belgium	Investment holding	EUR18,550	-	100.00%
123	China International Marine Containers (Hong Kong) Limited ("CIMC Hong Kong")	Business entity	Hongkong, China	Hongkong, China	Investment holding	HKD2,000,000	100.00%	-
124	CIMC Burg B.V. ("BV")	Business entity	Holland	Holland	Investment holding	EUR90,000	-	100.00%
125	Tacoba Forestry Consultant N.V. ("Suriname") ("Tacoba")	Business entity	Suriname	Suriname	Sales and purchase of wood	SRD3,000,000	-	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)

(ii) Overseas subsidiaries (Continued)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
126	Charm Wise Limited ("Charm Wise")	Business entity	Hongkong, China	Hongkong, China	Investment holding	USD50,000	-	100.00%
127	Gold Terrain Assets Limited ("GTA")	Business entity	British Virgin Islands	British Virgin Islands	Investment holding	USD50,000	-	100.00%
128	Full Medal Holdings Ltd. ("Full Medal")	Business entity	British Virgin Islands	British Virgin Islands	Investment holding	USD50,000	-	70.83%
129	Charm Ray Holdings Limited ("Charm Ray")	Business entity	Hongkong, China	Hongkong, China	Investment holding	HKD10,000	-	70.83%
130	Charm Beat Enterprises Limited ("Charm Beat")	Business entity	British Virgin Islands	British Virgin Islands	Investment holding	USD50,000	-	63.33%
131	Sharp Vision Holdings Limited ("Sharp Vision")	Business entity	Hongkong, China	Hongkong, China	Investment holding	HKD 1	-	100.00%
132	Sound Winner Holdings Limited ("Sound Winner")	Business entity	British Virgin Islands	British Virgin Islands	Investment holding	USD50,000	-	70.83%
133	Grow Rapid Limited ("Grow Rapid")	Business entity	Hongkong, China	Hongkong, China	Investment holding	HKD 1	-	100.00%
134	Powerlead Holding Ltd. ("Powerlead")	Business entity	British Virgin Islands	British Virgin Islands	Investment holding	USD10	-	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)

(ii) Overseas subsidiaries (Continued)

No.	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
135	Cooperatie Vela U.A.	Business entity	Holland	Holland	Investment holding	EUR75,000,000	-	70.83%
136	Vela Holding B.V.	Business entity	Holland	Holland	Investment holding	EUR90,000	-	70.83%
137	CIMC Financial Leasing (HK) Co Ltd.	Business entity	Hong Kong, China	Hong Kong, China	Financial Leasing	HKD500,000	-	100.00%
138	CIMC Offshore Holdings Limited ("CIMC Offshore")	Business entity	Hong Kong, China	Hong Kong, China	Investment holding	HKD342,860,200	-	100.00%
139	Cooperatie CIMC U.A. ("COOP")	Business entity	Holland	Holland	Investment holding	EUR25,500,000	99.00%	1.00%
140	North Sea Rigs Holdings ("NSR")	Business entity	British Virgin Islands	British Virgin Islands	Financial leasing project company	USD6,000	-	91.50%
141	Hongkong CIMC Tianda Airport Support Ltd. ("TAS Hongkong")	Business entity	Hong Kong, China	Hong Kong, China	Investment holding	HKD 1,000,000	-	35.92%

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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
142	CIMC Development (Australia) Pty Ltd ("Development Australia")	Business entity	Australia	Australia	Investment holding	AUD8,000,000	-	100.00%
143	Beacon holdings Group Ltd ("Beacon holdings")	Business entity	British Virgin Islands	British Virgin Islands	Financial leasing project company	USD4,900	-	100.00%
144	Lihua Logistics Company Limited ("Lihua")	Business entity	Hong Kong, China	Hong Kong, China	Logistics	USD4,850,000	-	75.00%
145	Beacon Pacific Group Ltd. ("Beacon Pacific")	Business entity	British Virgin Islands	British Virgin Islands	Financial Leasing project company	USD42,500,000	-	100.00%
146	CIMC Holdings Australia Pty Ltd ("Holdings Aus")	Business entity	Australia	Australia	Investment holding	AUD8,724,000	-	63.33%
147	CIMC Trailer Poland SP Zoo ("Trailer Poland SP Zoo")	Business entity	Poland	Poland	Investment holding	EUR3,000,000	-	63.33%

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(2) The Group does not have subsidiaries obtained through combination under common control

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

(i) Domestic subsidiaries

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
1	Luoyang CIMC Lingyu Automobile CO., LTD. (LYV)	Business entity	Luoyang, Henan	Luoyang, Henan	Production and sales of passenger car, tank car; machining; operation of import and export business	RMB100,000,000	-	47.50%
2	Wuhu CIMC Ruijiang Automobile CO LTD (WHVS)	Business entity	Wuhu, Anhui	Wuhu, Anhui	Development, production and sales of various special vehicles, ordinary mechanical products and metal structure parts	RMB100,000,000	-	47.50%
3	Liangshan Dongyue Vehicle Co., Ltd. (LSDYV)	Business entity	Liangshan, Shandong	Liangshan, Shandong	Production and sales of mixing truck, special vehicle and components and parts	RMB90,000,000	-	47.50%
4	Qingdao CIMC Container Manufacture Co., Ltd (QDCC)	Business entity	Qingdao, Shandong	Qingdao, Shandong	Manufacture and repair of container, processing and manufacture of various mechanical parts, structures and equipment	USD27,840,000	32.83%	67.17%
5	Qingdao CIMC Reefer Container Manufacture Co., Ltd. (QDCRC)	Business entity	Qingdao, Shandong	Qingdao, Shandong	Manufacture and sale of refrigeration and heat preservation device of reefer container, refrigerator car and heat preservation car; providing maintenance service	USD86,850,000	9.48%	90.52%
6	Tianjin CIMC North Ocean Container Co., Ltd. (TJ CIMC)	Business entity	Tianjin	Tianjin	Manufacture and sales of container, vehicles and ships After-sales service of containers	USD16,682,000	47.50%	52.50%

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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)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
7	Shanghai CIMC Baowell Industries Co. Ltd. (SBWI)	Business entity	Shanghai	Shanghai	Manufacture and sale of container as well as relevant	USD28,500,000	35.37%	59.37%
8	CIMC Vehicle (Shandong) Co. Ltd. (KGR)	Business entity	Zhangqiu, Shandong	Zhangqiu, Shandong	Development and manufacture of special cars and other series products	USD18,930,100	–	55.10%
9	Zhangzhou CIMC Container Co., Ltd. (ZZCIMC)	Business entity	Zhangzhou, Fujian	Zhangzhou, Fujian	Manufacture and sale of container as well as relevant technical advisory	USD23,000,000	65.00%	35.00%
10	Yangzhou CIMC Tong Hua Special Vehicles Co., Ltd. (YZTH)	Business entity	Yangzhou, Jiangsu	Yangzhou, Jiangsu	Development, production and sales of various special-use vehicles, refitting vehicles, special vehicles, trailer series	RMB434,300,800	–	63.33%
11	Zhumadian CIMC Huajun Vehicle Co. Ltd. (HJICMC)	Business entity	Zhumalian, Henan	Zhumalian, Henan	Refitting of special vehicles, sales of vehicle related materials	RMB85,340,000	–	63.33%
12	Zhangjiagang CIMC Sanctum Cryogenic Equipment Machinery Co., Ltd. (SDY)	Business entity	Zhangjiagang, Jiangsu	Zhangjiagang, Jiangsu	Development, manufacture and installation of deep freezing unit, petrochemical mechanical equipment, tank container, pressure vessel	RMB795,532,000	–	70.83%
13	Donghua Container Transportation Service Co., Ltd. (DHCTS)	Business entity	Shanghai	Shanghai	Container cargo devanning, vanning; canvass for cargo; allotment and customs declaration; container maintenance and stockpiling; supply of components	USD4,500,000	–	70.00%

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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)

(i) Domestic subsidiaries (Continued)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
14	Yangzhou Tonglee Reefer Container Co., Ltd. (TLC)	Business entity	Yangzhou, Jiangsu	Yangzhou, Jiangsu	Manufacture and sale of reefer container and special container; providing relevant technical advisory and maintenance service	USD34,100,000	75.00%	25.00%
15	Qingdao Kooll Logistics Co., Ltd (QDHFL)	Business entity	Qingdao, Shandong	Qingdao, Shandong	Container warehousing, stockpiling, devanning, vanning, load and unload, cleaning, maintenance; goods processing	RMB20,000,000	–	80.00%
16	Enric (Bengbu) Compressor Co., Ltd. ("Enric Bengbu")	Business entity	Bengbu, Anhui	Bengbu, Anhui	Manufacturing base of NG compressor and related products	HKD60,808,400	–	70.83%
17	Shijiazhuang Enric Gas Equipment Co., Ltd. ("Shijiazhuang Enric")	Business entity	Shijiazhuang, Hebei	Shijiazhuang, Hebei	Manufacturing pressure vessel	USD32,000,000	–	70.83%
18	Enric (Langfang) Energy Equipment integration Co., Ltd. ("Langfang Enric")	Business entity	Langfang, Hebei	Langfang, Hebei	Manufacturing and exploiting Energy Equipment integration	HKD115,000,000	–	70.83%
19	Enric (Beijing) Energy Technology Co., Ltd. ("Beijing Enric")	Business entity	Beijing	Beijing	Manufacturing and exploiting Energy Equipment integration	HKD40,000,000	–	70.83%
20	CIMC Enric (Jingmen) Energy Equipment	Business entity	Jingmen, Hubei	Jingmen, Hubei	Sales of chemical and gas machineries and equipments as well as after sales services; research and development of energy conservation techniques	HKD50,000,000	–	70.83%

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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)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
21	Jingmen Hongtu Special Aircraft manufacturing Co., Ltd ("Jingmen Hongtu")	Business entity	Jingmen, Hubei	Jingmen, Hubei	Development and sales of flight vehicle manufacturing techniques, design, production and sales of specialized motor vehicles tanks and pressure vessel	RMB100,000,000	-	56.66%
22	Ningguo CIMC Wood Co., Ltd. (NGCIMCW)	Business entity	Ningguo, Anhui	Ningguo, Anhui	Production and sales of plywood floors decorative floors and related bamboo and wood products; wood purchase for production	USD1,300,000	-	60.00%
23	Yantai CIMC Raffles offshore Ltd. (YCRO)	Business entity	Yantai, Shandong	Yantai, Shandong	Construction of dock; Designation, production of ship; production of equipment of pressure and offshore oil platform	RMB2,291,190,000	-	97.89%
24	Yantai CIMC Raffles ship Co., Ltd (YCRS)	Business entity	Yantai, Shandong	Yantai, Shandong	Construction of ship as well as component; sales of container and offshore oil platform channel and steel production	RMB125,980,000	-	83.47%
25	Haiyang CIMC Raffles offshore Ltd. (HCRO)	Business entity	Haiyang, Shandong	Haiyang, Shandong	Construction of dock; Designation, production of ship; production of equipment of pressure and offshore oil platform	RMB200,000,000	-	97.89%
26	Longkou CIMC Raffles offshore engineering Co., Ltd (LCRO)	Business entity	Longkou, Shandong	Longkou, Shandong	Construction of offshore project and supplement	RMB290,000,000	-	97.89%

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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)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
27	Shandong Master Special Vehicle Manufacturing Co., Ltd (SDMV)	Business entity	Jining, Shandong	Jining, Shandong	Manufacture and sales of mixing truck, special vehicle and components and parts	RMB22,000,000	-	47.50%
28	Xinfa Airport Equipment Ltd. ("Xinfa Airport")	Business entity	Beijing	Beijing	Manufacture and sales of airport shuttle buses	RMB25,000,000	-	25.15%
29	Yangjiang Shangdong Furi Real Estate Co., Ltd. (YJFR)	Business entity	Yangjiang, Guangdong	Yangjiang, Guangdong	Real estate development and operation planning and consulting, sale of construction materials and inner house decoration	RMB10,000,000	-	49.20%
30	Nanjing Yangzi Petrochemical Design & Engineering Co., Ltd. ("Yangzi Petrochemical")	Business entity	Nanjing, Jiangsu	Nanjing, Jiangsu	Project related to petrochemical industry	RMB60,000,000	-	70.83%
31	Zhenhua Logistics Group Co., Ltd. ("Zhenhua Group")	Business entity	Tianjin	Tianjin	Container and cargo Distribution, freight and repairment	USD51,596,000	-	75.00%
32	Xiamen Hongxin Berg Leasing Co. Ltd. ("Hongxin Berg")	Business entity	Xiamen, Fujian	Xiamen, Fujian	Financial leasing and leasing business	USD21,300,000	-	51.00%
33	Tianjin Zhenhua Haijing Logistics Co. Ltd. ("Zhenhua Haijing")	Business entity	Tianjin	Tianjin	Construction and operation of warehousing facilities, container depot	RMB145,000,000	-	45.00%
34	Tianjin Zhenhua International Logistics Co. Ltd. ("Zhenhua IL")	Business entity	Tianjin	Tianjin	Non-vessel carrier, freight agent	RMB133,970,000	-	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)

(i) Domestic subsidiaries (Continued)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
35	Shandong Zhenhua Logistics Co., Ltd. ("Shandong Zhenhua")	Business entity	Qingdao, Shandong	Qingdao, Shandong	Common freight and special freight transport for dangerous goods	USD9,150,000	-	75.00%
36	Tianjin Zhenhua Customs Broker Co. Ltd. ("Tianjin CB")	Business entity	Tianjin	Tianjin	Customs clearance and related consulting services	RMB12,516,400	-	75.00%
37	Zhenhua International Shipping Agency (Qingdao) Co., Ltd. ("Qingdao Shipping Agency")	Business entity	Qingdao, Shandong	Qingdao, Shandong	International shipping agency business	RMB10,000,000	-	75.00%
38	Tianjin Zhenhua International Shipping Agency Co. Ltd. ("Tianjin Shipping Agency")	Business entity	Tianjin	Tianjin	International shipping agency business	RMB10,000,000	-	75.00%
39	Shanghai Zhenhua International Shipping Agencies Ltd ("Shanghai Shipping Agencies")	Business entity	Shanghai	Shanghai	International shipping agency business	RMB10,000,000	-	75.00%
40	Zhenhua Dongjiang (Tianjin) Co., Ltd. ("Zhenhua Dongjiang (Tianjin)")	Business entity	Tianjin	Tianjin	Common and special freight transport	RMB50,000,000	-	75.00%
41	Tianjin Zhenhua International Trade Bonded Warehousing Tianjin Zhenhua Trade Bonded	Business entity	Tianjin	Tianjin	Cargo transport agency services	RMB5,628,800	-	75.00%
42	Shandong Wanshida Logistics Co., Ltd. ("Wanshida Logistics")	Business entity	Jining Shandong	Jining Shandong	Logistics distribution, vehicle, special vehicle, agricultural vehicle, automobile	RMB44,000,000	-	47.50%

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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)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
43	Brigantine Services (Shenzhen) Co., Ltd. ("Shenzhen Brigantine")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Provides a container and ship repair services and related technical consulting services	HKD7,500,000	-	70.00%
44	Brigantine Services (Shanghai) Co., Ltd. ("Shanghai Brigantine")	Business entity	Shanghai	Shanghai	Container ship and its parts, mechanical repair, maintenance services	USD513,000	-	70.00%
45	Tianjin port free trade zone Kaichang oil marketing Co. Ltd ("Kaichang oil marketing")	Business entity	Tianjin	Tianjin	Sales of petroleum products, warehouse sales	RMB30,000,000	-	45.00%
46	C&C Trucks marketing service Co., Ltd ("C&C Marketing Service")	Business entity	Wuhu, Anhui	Wuhu, Anhui	Sale and agency of various kinds of heavy truck special-use vehicles, engineering machinery, automobile chassis engine and relevant components and parts	RMB150,000,000	-	66.24%
47	Jiajing Technology Co., Ltd ("Jiajing Technology")	Business entity	Wuhu, Anhui	Wuhu, Anhui	Industrial design and new technology development mainly about automobile and its accessories	RMB10,000,000	-	66.24%
48	Wuhu Xingfu Real Estate Co., Ltd ("Wuhu Xingfu Real Estate")	Business entity	Wuhu, Anhui	Wuhu, Anhui	Sale and agency of various kinds of heavy truck special-use vehicles, engineering machinery,	RMB25,000,000	-	43.20%

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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)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
49	Ruiji Logistics (Wuhu) Co., Ltd ("WHRJL")	Business entity	Wuhu, Anhui	Wuhu, Anhui	Sale and agency of various kinds of heavy truck special-use vehicles, engineering machinery,	RMB20,492,100	-	83.12%
50	C&C Trucks Co., Ltd ("C&C Trucks")	Business entity	Wuhu, Anhui	Wuhu, Anhui	Sale and agency of various kinds of heavy truck special-use vehicles, engineering machinery,	RMB1,570,000,000	66.24%	-
51	Anhui FeiCai (Group) co., LTD ("Anhui FeiCai (Group)")	Business entity	Xuancheng Anhui	Xuancheng Anhui	Manufacture and sale of agricultural vehicles, agricultural machinery and relevant accessories	RMB158,000,000	-	66.24%
52	Liaoning Hashenleng Gas liquefaction equipment Co., Ltd ("Hashenleng")	Business entity	Liaoning	Liaoning	Natural gas liquefaction equipment, CBM liquefaction equipment; design, production and sales of relevant auxiliary equipment	RMB50,000,000	-	42.50%
53	Sino-Worlink (Beijing) Investment Co., Ltd ("Sino-Worlink (Beijing) Investment")	Business entity	Beijing	Beijing	Investment management; asset management; Investment advisory; corporate management.	RMB35,000,000	-	50.00%
54	Sino-Worlink (Beijing) International Logistics Co., Ltd ("Sino-Worlink Beijing Logistics")	Business entity	Beijing	Beijing	International Freight transport agents, general cargo transport	RMB30,000,000	-	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
55	CIMC Rolling Stock Australia Pty Ltd. ("CIMC Aus")	Business entity	Australia	Australia	Sales of vehicles	AUD50,000	-	63.33%
56	Enric Energy Equipment Holdings Limited ("Enric")	Business entity	Cayman Islands	Cayman Islands	Investment holding	HKD1,935,627,088 HKD0.01 per share	-	70.83%
57	Burg Industries B.V.	Business entity	Holland	Holland	Investment holding	EUR841,267	-	100.00%
58	Holvrieka Holding B.V.	Business entity	Holland	Holland	Investment holding	EUR14,040,000	-	70.83%
59	Holvriekaldo B.V.	Business entity	Holland	Holland	Sales of tank equipment	EUR136,200	-	70.83%
60	Holvrieka Nirota B.V.	Business entity	Holland	Holland	Production, assembly and sale of tank equipment	EUR682,500	-	70.83%
61	Pteris Global Sdn. Bhd ("Pteris Global Sdn. Bhd")	Business entity	Malaysia	Malaysia	Sale service	MYR8,000,000	-	51.32%
62	Noordkoel B.V.	Business entity	Holland	Holland	Sales of tank equipment	EUR500,000	-	70.83%

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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)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
63	Beheermaatschappij Burg B.V.	Business entity	Holland	Holland	Investment holding	EUR123,155.95	-	100.00%
64	Burg Carrosserie B.V.	Business entity	Holland	Holland	Production of road transport vehicle	EUR18,151,21	-	63.33%
65	Exploitiemaatschappij Intraproges B.V.	Business entity	Holland	Holland	Trade, financing and leasing of road transport vehicle	EUR15,925	-	63.33%
66	Hobur Twente B.V.	Business entity	Holland	Holland	Production and sale of oil and components and parts	EUR45,378.02	-	100.00%
67	Burg Service B.V.	Business entity	Holland	Holland	Assembly and repair of road transport vehicle and tank equipment	EUR150,000	-	70.83%
68	LAG Trailers N.V.	Business entity	Belgium	Belgium	Manufacturing trailer	EUR3,245,000	-	63.33%
69	Holvrieka N.V.	Business entity	Belgium	Belgium	Manufacturing tank	EUR991,600	-	70.83%
70	Imm oburg N.V.	Business entity	Belgium	Belgium	Manufacturing road transport vehicle	EUR248,000	-	63.33%
71	Holvrieka Danmark A/S	Business entity	Denmark	Denmark	Manufacturing tank equipment	DKK1,000,000	-	70.83%

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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)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
72	Direct Chassis LLC ("DCEC")	Business entity	USA	USA	Manufacturing and sales of	USD10,000,000	-	63.33%
73	CIMC TGE Gasinvestments SA ("TGESA")	Business entity	Luxemburg	Luxemburg	Investment holding	EUR50,000	-	60.00%
74	TGE Gas Engineering GmbH ("TGE Gas")	Business entity	Germany	Germany	Provide EP+CS (Design, Purchase and Construction Supervision) or other technical project services in LNG, LPG and storage and disposal of other	INR13,861,250	-	60.00%
75	CIMC Raffles Offshore (Singapore) Limited ("Raffles")	Business entity	Singapore	Singapore	Production of various ship for offshore oil and gas, including jack-up drilling platforms, semi-submersible drilling Platforms, FPSOs, FSOs	SGD594,416,915 and USD303,122,013	-	100.00%
76	CIMC Raffles Investments Limited	Business entity	Hongkong, China	Hongkong, China	Investment holding	HKD2	-	100.00%

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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)

Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
						Direct	Indirect
77 CIMC Raffles Leasing Pte. Ltd.	Business entity	Singapore	Singapore	Leasing of marine ship	SGD2	-	100.00%
78 Caspian Driller Pte. Ltd.	Business entity	Singapore	Singapore	Leasing of marine ship	USD30,000,000	-	100.00%
79 Technodyne International Limited ("Technodyne")	Business entity	United Kingdom	United Kingdom	Research and development of energy equipment	GBP1	-	60.00%
80 Gadidae AB.	Business entity	Sweden	Sweden	Investment holding	SEK1,000,000	-	100.00%
81 Perfect Victor Investments Limited ("Perfect Victor")	Business entity	Hongkong, China	Hongkong, China	Investment holding	USD1	-	100.00%
82 Ziemann International GmbH ("Ziemann Group")	Business entity	Germany	Germany	Design, production and sales of beer fermentation machine	EUR16,000,000	-	70.83%
83 Albert Ziegler GmbH ("Ziegler")	Business entity	Germany	Germany	Production and sale of fire fighting truck	EUR13,543,000	-	72.00%
84 Bassoe Technology AB ("Bassoe")	Business entity	Sweden	Sweden	Designation of Marine engineering	SEK1,000,000	-	90.00%

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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)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
85	Verbus Systems Limited ("Verbus Systems")	Business entity	United Kingdom	United Kingdom	Investment holding	GBD3,884,303	-	80.00%
86	Zhenhua logistics (Hongkong) Co., Ltd. ("Zhenhua Hongkong")	Business entity	Hongkong, China	Hongkong, China	Logistics	USD6,600,000	-	75.00%
87	CIMC Australia Road Transport Equipment Pty Ltd ("CARTE")	Business entity	Australia	Australia	Investment holding	AUD8,300,000	-	63.33%
88	Brigantine International Holdings Limited ("Brigantine International Holdings")	Business entity	Hongkong, China	Hongkong, China	Investment holding	HKD10,000,000	-	70.00%
89	Brigantine Services Limited ("Hongkong Brigantine Services")	Business entity	Hongkong, China	Hongkong, China	Container repair and renovation, container trade	HKD5,000,000	-	70.00%
90	Pteris Global Ltd	Business entity	Singapore	Singapore	Investment holding	SPG322,947,152	-	51.32%
91	Techman (Hong Kong) Limited	Business entity	Hongkong, China	Hongkong, China	Investment holding	HKD450,749,000	-	51.32%

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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 2015	Dividends distributed to minority interests in 2015	Grand total Minority interests on 31 December 2015
Enric	29.17%	168,293	89,955	1,994,680

Core financial information of aforementioned significant but not wholly-owned subsidiaries are as follows:

	As at 31 December 2015					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Enric	8,816,906	3,495,320	12,312,226	4,418,487	1,428,267	5,846,754

	As at 31 December 2014					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Enric	7,601,410	2,999,872	10,601,282	4,042,152	442,987	4,485,139

	2015			
	Revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Enric	8,241,333	536,213	489,011	664,747

	2014			
	Revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Enric	11,197,670	1,035,063	956,048	1,088,522

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(4) Subsidiaries with significant minority interests (Continued)

	Minority interests	Net Profit attribute to minority interests in 2015	Dividends distributed to minority interests in 2015	Grand total Minority interests on 31 December 2015
Pteris Global Limited	51.32%	27,921	–	645,143

Core financial information of aforementioned significant but not wholly-owned subsidiaries are as follows:

	As at 31 December 2015					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Pteris Global Limited	1,384,117	951,068	2,335,185	1,137,573	63,289	1,200,862

	As at 31 December 2014					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Pteris Global Limited	1,568,352	714,469	2,282,821	1,399,695	43,689	1,443,384

	2015			
	Revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Pteris Global Limited	661,369	43,371	32,332	27,383

	2014			
	Revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Pteris Global Limited	726,724	43,875	65,230	(4,060)

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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)

- (i) In July 2015, Pteris Global Ltd, a subsidiary that being held 51.32% of shares by the Company, sold 30% of TAS shares, and received a price of SGD 54,817,000 (equivalent to RMB251,471,000). The difference between the price and the related net assets portion amounted to RMB101,215,000, and was included in capital surplus.
- (ii) On 27 February 2015, Ina International (the buyer, an indirect wholly- owned subsidiary of China Fire Safety), CIMC Top Gear B.V.(the seller, a wholly-owned subsidiary of the Group), China Fire Safety(the guarantor of the buyer) and CIMC Hong Kong(the guarantor of the seller) entered into an acquisition agreement. Pursuant to the agreement, Ina International and CIMC Top Gear B.V agreed to buy and sell the Sell Shares and Sell Loan of Albert Ziegler GmbH ("Ziegler") under certain conditions. China Fire Safety should allot or issue 1,223,571,430 shares to CIMC Top Gear B.V. (or its nominee) to pay the price. The transaction was settled on 10 July 2015, and the share price was HKD0.48 on that day. The market value ("disposal price") obtained on the settlement day amounted to HKD587,314,000 (equivalent to RMB469,851,000). The difference between the price and the related net assets and loan portion of Ziegler(the portion is 40%) amounted to RMB321,514,000, and was included in capital surplus.
- (iii) As at 31 December 2015, HI, a subsidiary of the Group, brought in new strategic investors, who invested RMB1,349,826,462 additionally in exchange for 20.839% of HI's equity. The difference between the capital increment and the net asset enjoyed amounted to RMB95,234,000, and was included in capital surplus.

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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	Registration Place	Nature of business	Strategic for the group or not	Shareholding ratio – Direct	Shareholding ratio – Indirect
Joint ventures –						
NKY Zhenhua	Tianjin	Tianjin	Logistics support business	No	–	38.25%
Shanghai Three Eyre	Shanghai	Shanghai	Logistics support business	No	–	38.25%
Y&C Engine	Wuhu, Anhui	Wuhu, Anhui	Manufacture and sales of heavy-duty engines and components and parts	Yes	–	33.12%
Associates –						
LiHua Energy	Bazhou, Hebei	Bazhou, Hebei	Gas warehousing and transportation business	No	–	15.58%
Shanghai Fengyang	Shanghai	Shanghai	Real estate development	Yes	–	40.00%
TSC	Houston (USA)	Cayman Islands	Land and sea drilling platform business	Yes	–	13.42%
Jiahua Shipping	Hong Kong	Hong Kong	Logistics support business	No	–	30.00%
China fire safety	Chengdu	Cayman Islands	Fire equipment	Yes	–	30.00%

The equity mentioned above is measured by equity method.

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

2. Equity in associates and joint ventures (Continued)

(2) Core financial information of major joint ventures

	NKY Zhenhua		Shanghai Three Eyre		Y&C Engine	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Cash at bank and on hand	27,452	17,844	4,135	5,628	51,634	67,105
Other current assets	36,670	26,600	1,926	3,232	129,613	227,861
Total current assets	64,122	44,444	6,061	8,860	181,247	294,966
Total non-current assets	114,064	119,969	142,204	148,667	638,726	648,913
Total assets	178,186	164,413	148,265	157,527	819,973	943,879
Current liabilities	29,198	15,129	15,975	14,243	373,209	446,265
Non-current liabilities	1,265	11,406	7,000	20,500	59,102	90,000
Total liabilities	30,463	26,535	22,975	34,743	432,311	536,265
Minority shareholders' equity	-	-	-	-	-	-
Total equity attributable to shareholders of the Company	147,723	137,878	125,292	122,784	387,662	407,614
Share holding ratio	51.00%	51.00%	51.00%	51.00%	50.00%	50.00%
Net assets proportion calculated by shareholding ratio (i)	75,339	70,318	63,899	62,620	193,831	203,807
Carrying amount of equity investment in the joint ventures	75,339	70,318	63,899	62,620	193,831	203,807

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

2. Equity in associates and joint ventures (Continued)

(2) Core financial information of major joint ventures (Continued)

	NKY Zhenhua		Shanghai Three Eyre		Y&C Engine	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Revenue	148,495	128,461	27,420	24,739	356,697	487,348
Financial cost	(309)	(645)	1,483	2,253	18,322	24,947
Income tax expenses	3,400	3,412	836	581	-	-
Net profit/(Loss)	9,846	10,236	2,508	1,475	(19,952)	(12,426)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	9,846	10,236	2,508	1,475	(19,952)	(12,426)
Dividends received from the joint ventures this year	-	-	-	-	-	-

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

(3) Core financial information of major associates

	LiHua Energy		Shanghai Fengyang		TSC		Jiahua Shipping		China Fire Safety	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014	31 December 2015	31 December 2014	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Cash at bank and on hand	148,490	242,986	403,478	337,919	244,961	347,117	163	-	105,059	-
Other current assets	611,863	691,382	875,073	1,734,762	2,304,595	2,045,190	69,318	-	559,415	-
Total current assets	760,353	934,368	1,278,551	2,072,681	2,549,556	2,392,307	69,481	-	664,474	-
Total non-current assets	543,773	523,613	43,955	11,201	680,935	630,906	1,036,222	-	652,752	-
Total Assets	1,304,126	1,457,981	1,322,506	2,083,882	3,230,491	3,023,213	1,105,703	-	1,317,226	-
Current liabilities	579,571	1,055,996	524,870	1,805,772	1,635,610	1,532,535	1,511	-	310,639	-
Non-current liabilities	140,434	80,456	-	-	289,959	253,797	779,221	-	-	-
Total liabilities	720,005	1,136,452	524,870	1,805,772	1,925,569	1,786,332	780,732	-	310,639	-

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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)

	LiHua Energy		Shanghai Fengyang		TSC		Jiahua Shipping		China Fire Safety	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014	31 December 2015	31 December 2014	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Minority shareholders' equity	-	-	-	-	21,202	20,073	-	-	-	-
Total equity attributable to shareholders of the Company	584,121	321,529	797,636	278,110	1,304,922	1,236,881	324,971	-	1,006,587	-
Adjustments according to fair value of net identifiable assets and Goodwill	-	-	1,085	1,085	155,764	155,764	-	-	533,410	-
Total equity attributable to shareholders of the company (adjusted)	584,121	321,529	798,721	279,195	1,460,686	1,392,645	324,971	-	1,539,997	-
Share holding ratio	15.58%	28.00%	40.00%	40.00%	13.42%	13.42%	30.00%	-	30.00%	-
Net assets portion calculated by share holding ratio (i)	91,006	90,028	319,488	111,678	196,024	186,893	97,491	-	461,999	-
Carrying amount of equity investment in the associates	91,006	90,028	319,488	111,678	196,024	186,893	97,491	-	461,999	-
Fair value of investments on associates with public offer	-	-	-	-	114,290	156,836	-	-	410,044	-

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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)

	LiHua Energy		Shanghai Fengyang		TSC		Jiahua Shipping		China Fire Safety	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014	31 December 2015	31 December 2014	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Revenue	1,183,231	1,076,844	1,969,436	660,013	1,489,912	1,664,104	66,510.90	-	565,178	-
Net profit	26,522	48,791	519,525	156,230	115,227	128,793	12,757	-	30,444	-
Other comprehensive income	-	-	-	-	-	-	-	-	4,520	-
Total comprehensive income	26,522	48,791	519,525	156,230	115,227	128,793	12,757	-	34,964	-
Dividends received from the associates this year	(10,752)	-	-	(108,000)	-	-	-	-	-	-

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

TSC is a company listed on the Stock Exchange of Hong Kong Limited, and its announcement day is late than CIMC's. After the Group's assessment, they consider TSC's operating results are not significant to the Group. So the TSC's operating results disclosed above is projected from its semi-annual report. And the Group will make adjustments based on its announcement in next year.

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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

	2015	2014
Joint ventures:		
Total carrying amount of investments on 31 December 2015	123,619	100,946
Sub-total amount of the following items calculated in the Group's equity proportion in joint ventures:		
– Net profit (i)	15,486	20,224
Other comprehensive income (i)	–	–
Total comprehensive income	15,486	20,224
Associates:		
Total carrying amount of investments on 31 December 2015	413,673	339,386
Sub-total amount of the following items calculated in the Group's equity proportion in joint ventures:		
– Net Profit/(loss) (i)	6,472	(47,063)
Other comprehensive income (i)	–	–
Total comprehensive income/(loss)	6,472	(47,063)

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

(5) Excess deficit of associates and joint ventures

There are no excess deficit of associates or joint ventures in 2015.

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

There is no equity of the structured body not included in the consolidation range of the consolidated financial statements.

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1. The company does not have any holding company.
2. For the information on the subsidiaries of the company, refer to Note VI.1.
3. For the information about the joint ventures and associates of the Company, refer to Note VI.2.

In addition to the important the joint ventures and associates have been disclosed in to Note VI, the rest of joint ventures and associates are as follows:

	Main place of business	Registered Address	The nature of the business	The group activity is strategic	Shareholding percentage – direct	Shareholding percentage – indirect
Joint ventures -						
Shanghai Baijian	Shanghai	Shanghai	Container repair service	No	–	35.00%
Shanghai Shenyi	Shanghai	Shanghai	Auto parts business	No	–	15.83%
Dalian Jilong	Dalian	Dalian	Container repair service	No	–	50.00%
Tianjin jinshi	Tianjin	Tianjin	Container repair service	No	–	35.00%
Kawasaki Zhenhua	Tianjin	Tianjin	Logistics support services	No	–	38.25%
Guangxi South Logistics	Nanning	Nanning	Logistics service	No	–	50.00%
SCSCRC	Shanghai	Shanghai	Refrigeration equipment business	No	–	38.89%
Qingdao Jiefeng	Qingdao	Qingdao	Container repair service	No	–	35.00%
Associates-						
Marine Subsea & Consafe Limited	Cyprus	Cyprus	Marine related business	No	–	40.00%
Shanghai Xiangtong t Automotive Components Company Limited	Shanghai	Shanghai	Auto parts business	No	–	16.62%
Nantong Xinyang Environmental Protection Industry Co., Ltd.	Nantong	Nantong	Environmental protection board service	No	–	20.00%
Xia'men CIMC	Xia'men	Xia'men	Container repair service	No	–	45.00%
Dalian Jilong Logistics	Dalian	Dalian	Logistics service	No	–	30.00%
Ningbo Beilun	Ningbo	Ningbo	Container service	No	–	21.00%
Guangzhou Jinyuan Metals Corporation	Guangzhou	Guangzhou	Metal industry	No	–	10.00%
Xuzhou CIMC Wood Co., Ltd	Xuzhou	Xuzhou	Wood	No	–	35.00%
Xinyang Wood Industry	Hongkong	Hongkong	Wood	No	–	20.00%
Senjv Technology	Jiangmen	Jiangmen	Materials business	No	–	25.33%
Ningxia Changming Natural Gas Development Co., Ltd.	Ningxia	Ningxia	Gas liquefaction	No	–	29.00%

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Information of other related parties

Company name	Relationship with the Group
Florens Container Corporation S.A.	Subsidiary of significant shareholder
Florens Maritime Limited	Subsidiary of significant shareholder
Shenzhen China Merchants Real Estated Co., Ltd.	Subsidiary of significant shareholder
Gasfin Investment S.A	Minority shareholder of subsidiary
COSCO Container Industries Limited	Significant shareholder
China Merchant International Ltd.	Significant shareholder
Shanxi Heavy Duty Automobile Co., Ltd.	Minority shareholder of subsidiary
SUMITOMO CORPORATION	Minority shareholder of subsidiary
Shunde Furi Real Estate Investment Co., Ltd	Minority shareholder of subsidiary
Tianjin Port International Logistics Development Co., Ltd.	Minority shareholder of subsidiary
Frigstad Deepwater Holding Limited	Minority shareholder of subsidiary
Eighty Eight Dragons Limited	Minority shareholder of subsidiary
Quercus Limited	Minority shareholder of subsidiary
Shiny Laburnum Limited	Minority shareholder of subsidiary
Inland Services B.V. (Netherlands)	Minority shareholder of subsidiary
Asahi Trading Co., Ltd.	Minority shareholder of subsidiary
Wuhu Tairui Vehicle Ltd	Minority shareholder of subsidiary
Shunde Binuo Sunshine Property Co., Ltd.	Minority shareholder of subsidiary

Note: Significant shareholders represent shareholders holding more than 5% (inclusive) of the Company's shares.

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions

The following transactions with related parties were conducted under normal commercial terms or relevant agreements.

(1) Purchase of goods and receiving of services

The Group

Name	Nature of the transaction	2015 Amount	2014 Amount
Y&C Engine	Purchase of goods	524,618	613,490
TSC	Purchase of goods	278,051	156,535
Xuzhou CIMC Wood Co., Ltd	Purchase of goods	169,056	57,322
Asahi Trading Co., Ltd	Purchase of goods	51,187	164,080
Shanxi Heavy Duty Automobile Co., Ltd.	Purchase of goods	41,817	63,562
SUMITOMO CORPORATION	Purchase of goods	13,396	–
Other related parties	Purchase of goods	19,507	40,724
Sub-total	Purchase of goods	1,097,632	1,095,713
Other related parties	Receiving of services	735	4,117

The Company

Emoluments of the directors, supervisor and senior management of the Company refer to VIII.5(4).

(2) Sales of goods and rendering of services

The Group

Name	Nature of the transaction	2015 Amount	2014 Amount
Florens Maritime Limited	Sales of goods	835,084	888,395
Florens Container Corporation S.A.	Sales of goods	158,007	669,782
SUMITOMO CORPORATION	Sales of goods	188,413	149,128
Shanxi Heavy Duty Automobile Co., Ltd.	Sales of goods	144,062	350,245
NYK Zhenhua	Sales of goods	9,171	18,046
COSCO Container Industries Limited	Sales of goods	137	21,187
Guangxi Southern Logistic	Sales of goods	13	13,347
Senjv Technology	Sales of goods	–	25,641
Other related parties	Sales of goods	13,493	8,798
Sub-total	Sales of goods	1,348,380	2,144,569
Other related parties	Rendering of services	21,908	27,141

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(3) Financing

The Group

Name	Amount	Starting date	Ending date	Interest income earned/ interest expense recognised in 2015	Note
Financing received					
Gasfin Investment S.A	39,661	19 September 2008	Repayment date not fixed	1,626	Shareholder loans
Eighty Eight Dragons Limited	182,640	27 December 2013	27 December 2017	12,854	Shareholder loans
Quercus Limited	53,791	27 December 2013	27 December 2017	6,344	Shareholder loans
Shiny Laburnum Limited	325	27 December 2013	27 December 2017	38	Shareholder loans
Shunde Furi Real Estate Investment Co., Ltd	56,237	12 April 2012	Repayment date not fixed	–	Loans for sharehold operationer
Shunde Binuo Sunshine Property Co., Ltd.	43,850	12 April 2012	Repayment date not fixed	–	Loans for sharehold operation
	376,504				
Financing provided					
Shanghai Fengyang	34,204	25 December 2007	Repayment date not fixed	–	Shareholder loans
XYW	4,084	20 June 2006	Repayment date not fixed	–	Shareholder loans
Marine Subsea & Consafe Limited	297,027	1 December 2007	Repayment date not fixed	–	Loans for sharehold operation
Nantong New Atlantic Forest Industry Ltd.	15,026	5 March 2015, 24 April 2015	5 March 2016, 24 April 2016	1,845	Loans for sharehold operation
Guangzhou Kyh Metal Co., Ltd.	6,211	13 January 2015, 19 May 2015	13 January 2016, 19 May 2016	497	Loans for sharehold operation
Frigstad Deepwater Holding Limited	146,493	16 April 2013	Repayment date not fixed	–	Loans for sharehold operation
Other related parties	6,646				
	509,691				

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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 new share options scheme since 28 September 2010 (see Note IX). Details of unexercised share options granted to key management personnel as at 31 December 2015 are as follows:

Name	Position	Number of granted share options (in'0000)
Mai Boliang	President, Chairman	285
Wu Fapei	Vice Chairman	75
Li Yinhui	Vice Chairman	75
Yu Ya	Vice Chairman	75
Liu Xuebin	Vice Chairman	112.5
Zhang Baoqing	Vice Chairman	75
Gao Xiang	Vice Chairman	37.5
Jin Jianlong	General Manager of Finance Department	75
Zeng Beihua	General Manager of Treasury Department	75
Yu Yuqun	Secretary of the Board	75
Total		960

Some key management personnel were not only granted the above share options of the Company but also were granted share options of Enric, the subsidiary of the Company. Details of unexercised share options granted to key management personnel as at 31 December 2015 are as follows:

Name	Position	Number of granted share options (in'0000)
Wu Fapei	Vice Chairman	50
Yu Ya	Vice Chairman	25
Gao Xiang	Vice Chairman	190
Jin Jianlong	General Manager of Finance Department	140
Zeng Beihua	General Manager of Treasury Department	300
Yu Yuqun	Secretary of the Board	129.8
Total		834.8

Note: Approved by the fourth meeting in 2015 of the seventh board of directors, Mr. Gao Xiang was additionally hired as the vice chairman. The term of office is 3 year from 1 April 2015. Due to the expiration of the term of office, Mr. Zhao Qingsheng left the Company. As of 31 December 2015, Mr. Zhao still had 750,000 options of the Company and 635,000 options of Enric unexercised.

For detailed information for fair value of the granted share options aforesaid, please refer to Note IX.

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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*

Directors' and key management personnel's emoluments for the year ended 31 December 2015 are as follows:

Name	Remuneration	Emoluments for other management service of the Company or subsidiaries						Total
		Salary and allowance	Pension	Bonus	Sign-off bonus	Housing allowance	Others	
Directors								
Li Jianhong	Note (i)	-	-	-	-	-	-	-
Zhang Liang		-	-	-	-	-	-	-
Wang Hong		-	-	-	-	-	-	-
Mai Boliang		-	3,022	44	3,280	-	-	27
Wu Shuxiong		-	-	-	-	-	-	-
Wang guixun		200	-	-	-	-	-	200
Li Kejun		200	-	-	-	-	-	200
Pan Chengwei		200	-	-	-	-	-	200
Sub-total		600	3,022	44	3,280	-	-	27
Supervisors								
Wang Zhixian	Note (ii)	-	-	-	-	-	-	-
Wong Sin Yue, Cynthia	Note (ii)	-	-	-	-	-	-	-
He Jiale		-	-	-	-	-	-	-
Xiong Bo		-	218	33	54	-	-	11
Sub-total		-	218	33	54	-	-	11

Note (i): On 24 December 2015, Mr. Li Jianhong resigned his positions as the chairman, directors and all other positions in professional committees of directorate due to work arrangement.

Note (ii): In February 2015, Ms. Wong Sin Yue, Cynthia resigned from the position of supervisor due to job alteration. Mr. Wang Zhixian was recommended by the board of supervisors as the supervisor on behalf of shareholders for the seventh board of supervisors.

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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' and key management personnel's emoluments for the year ended 31 December 2015 are as follows (Continued):

Name	Remuneration	Emoluments for other management service of the Company or subsidiaries						Total
		Salary and allowance	Pension	Bonus	Sign-off bonus	Housing allowance	Others	
Other key management personnel								
Zhao Qingsheng Note (iii)	-	1,260	-	2,460	-	-	-	3,720
Wu Fapei	-	1,261	77	1,900	-	-	27	3,265
Li Yinhui	-	901	75	1,620	-	-	27	2,623
Liu Xuebin	-	1,375	77	1,504	-	-	27	2,983
Zhang Baoqing	-	1,319	75	1,780	-	-	27	3,201
Yu Ya	-	1,378	13	2,800	-	-	8	4,199
Gao Xiang	-	1,068	64	1,705	-	-	16	2,853
Jin Jianlong	-	1,204	-	1,860	-	-	-	3,064
Zeng Beihua	-	1,215	-	2,460	-	-	-	3,675
Yu Yuqun	-	1,405	44	2,050	-	-	27	3,526
Sub-total	-	12,386	425	20,139	-	-	159	33,109
Total	600	15,626	502	23,473	-	-	197	40,398

Note (iii): Approved by the fourth meeting in 2015 of the seventh board of directors, Mr. Zhao Qingsheng left the Company due to the expiration of the term of office.

The five individuals who received the highest are included aforesaid in 2015.

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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' and key management personnel's emoluments For the year ended 31 December 2014 are as follows:

Name	Remuneration	Emoluments for other management service of the Company or subsidiaries					Total	
		Salary and allowance	Pension	Bonus	Sign-off bonus	Housing allowance		Others
Directors								
Li Jianhong	-	-	-	-	-	-	-	
Zhang Liang	-	-	-	-	-	-	-	
Wang Hong	-	-	-	-	-	-	-	
Mai Boliang	-	2,447	40	3,234	-	-	24	5,745
Wu Shuxiong	-	-	-	-	-	-	-	-
Wang guixun	200	-	-	-	-	-	-	200
Li Kejun	Note (iv)	200	-	-	-	-	-	200
Pan Chengwei		200	-	-	-	-	-	200
Sub-total	600	2,447	40	3,234	-	-	24	6,345
Supervisors								
Wong Sin Yue, Cynthia	Note (v)	-	-	-	-	-	-	-
He Jiale		-	-	-	-	-	-	-
Xiong Bo		-	218	29	36	-	10	293
Sub-total		-	218	29	36	-	10	293

Note (iv): Mr. Li Kejun resigned for personal reasons and his resignation will take effect after the group's new independent director appointment.

Note (v): Ms. Wong Sin Yue, Cynthia resigned from the position of supervisor for personal reason in February 2015.

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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' and key management personnel's emoluments For the year ended 31 December 2014 are as follows: (Continued)

Name	Remuneration	Emoluments for other management service of the Company or subsidiaries						Total
		Salary and allowance	Pension	Bonus	Sign-off bonus	Housing allowance	Others	
Other key management personnel								
Zhao Qingsheng	-	1,233	-	2,958	-	-	-	4,191
Wu Fapei	-	1,184	40	2,160	-	-	24	3,408
Li Yinhui	-	1,189	38	1,800	-	-	24	3,051
Liu Xuebin	-	1,318	40	2,060	-	-	24	3,442
Zhang Baoqing	-	1,260	38	1,500	-	-	24	2,822
Yu Ya	-	1,898	38	2,160	-	-	24	4,120
Jin Jianlong	-	1,064	33	1,860	-	-	20	2,977
Zeng Beihua	-	1,080	-	2,160	-	-	-	3,240
Yu Yuqun	-	1,094	40	3,624	-	-	24	4,782
Sub-total	-	11,320	267	20,282	-	-	164	32,033
Total	600	13,985	336	23,552	-	-	198	38,671

The five individuals who received the highest are included aforesaid in 2014.

Other benefits mainly consists of housing funds, pensions, medical insurance, etc.

(iii) *Termination benefits for directors*

In 2015, there was no compensation for directors with terminated appointment from the Company and the subsidiaries. (2014: Nil).

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(4) Other related party transactions (Continued)

(iv) *Consideration paid to third parties for service of directors*

In 2015, there was no consideration paid to third parties for service of directors (2014: Nil).

(v) *Loans, quasi-loans offered and other transactions with directors, legal entities controlled by directors and their related persons*

As at 31 December 2015, there were no loans, quasi-loans and guarantees offered to directors, legal entities controlled by directors and their related persons (31 December 2014: Nil).

(vi) *Significant interest of directors in transactions, arrangement and contracts.*

In 2015, the Company did not enter into any agreement that related to the business of the Group, in which the directors have significant interest in transactions, arrangement and contracts directly or indirectly (2014: Nil).

6. Receivables due from and payables due to related parties

Refer to Note IV.4 for details of accounts receivable.

Refer to Note IV.5 for details of other receivables.

Refer to Note IV.6 for details of advance to suppliers.

Refer to Note IV.21 for details of other non-current assets.

Refer to Note IV.27 for details of accounts payable.

Refer to Note IV.33 for details of other payables.

Refer to Note IV.28 for advance from customers.

7. Commitments in relation to related parties

As at 31 December 2015, there are no commitments in relation to related parties contracted for but not yet necessary to be recognised on the balance sheet by the Group.

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IX. SHARE-BASED PAYMENTS

1. Information about share-based payments

Total equity instruments granted during the year	The total number of share options granted by the Company and Enric was 0 this year.
Total equity instruments exercised during the year	The number of exercised share options granted by the Company and Enric were 19,095,000 and 4,144,000 respectively this year.
Total equity instruments forfeited during the year	The total number of share options forfeited was 1,178,000 this year. The number of share options forfeited in Enric was 120,000 this year.
The exercise price of outstanding share options at the end of the year and residual life of the share options contracts	<ol style="list-style-type: none"> Equity-settled share options granted by Enric in 2009, 2011 and 2014: HKD4, HKD2.48 and HKD11.24 per share respectively, the residual life of contract is 3.83, 5.82 and 8.44 years respectively; Equity-settled share options granted by the Company in 2010 and 2011: RMB10.77 (after adjustment) and RMB16.30 per share respectively (after adjustment), the residual life of contracts is both 4.74 years.
The price of other outstanding equity instruments at the end of the year and residual life of relevant contracts	Nil

Expenses recognised for the year arising from share-based payments are as follows

	2015	2014
Equity-settled share-based payment	62,370	95,591

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IX. SHARE-BASED PAYMENTS (CONTINUED)

2. Information on equity-settled share-based payment

(1) Information on equity-settled share-based payment of Enric

Enric, a subsidiary of the Company, carried out a share options plan (the "Plan I"), which was approved by the shareholders' meeting on 11 November 2009. According to the Plan, the key management personnel and other employees in Enric were granted share options of Enric at nil consideration to subscribe for shares of Enric. The options are 50% exercisable after one year from the date of grant and are then 100% exercisable after two years from the date of grant. Each option gives the holder the right to subscribe for one ordinary share in Enric. The total number of share options granted was 43,750,000, with the exercise price of HKD4 per share.

Enric carried out another share options plan (the "Plan II"), which was approved by the shareholders' meeting on 28 October 2011. According to Plan II, the board of directors of the Company was authorised to grant share options to the key management personnel and other employees of Enric at nil consideration to subscribe for shares of Enric. The options are 40% exercisable after one year from the date of grant and, 70% exercisable after 2 years from the date of grant, and then 100% exercisable after 3 years from the date of grant. Each option gives the holder the right to subscribe for one ordinary share in Enric. The total number of share options granted was 38,200,000, with exercise price of HKD2.48 per share.

Enric, a subsidiary of the Company, carried out a share options plan (the "Plan III"), which was approved by the shareholders' meeting on 5 June 2014. According to the Plan, the key management personnel and other employees in Enric were granted share options of Enric at nil consideration to subscribe for shares of Enric. The options are 40% exercisable after two years from the date of grant, 70% exercisable after three years from the date of grant and 100% exercisable after four years from the date of grant. Each option gives the holder the right to subscribe for one ordinary share in Enric. The total number of share options granted was 38,420,000, with the exercise price of HKD11.24 per share.

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IX. SHARE-BASED PAYMENTS (CONTINUED)

2. Information on equity-settled share-based payment (Continued)

(1) Information on equity-settled share-based payment of Enric (Continued)

Movement of share options of Enric:

	2015 '000	2014 '000
Beginning balance	90,863	58,638
Granted in current period	–	38,420
Exercised in current period	(4,144)	(5,595)
Cancelled in current period	(120)	(510)
Forfeited in current period	–	(90)
Ending balance	86,599	90,863

(2) Information on equity-settled share-based payment of the Company

A share options scheme (the "Scheme") was approved in the shareholders' meeting of the Company held on 28 September 2010. According to the Scheme, the board of directors of the Company was authorised to grant share options to the key management personnel and other employees to subscribe for the shares of the Company. The effective period of the Scheme is ten years from the first grant date of share options. The options are exercisable in two periods. The options are 25% exercisable from the first transaction date after 24 months since the grant date to the last transaction date after 48 months since grant date. The remaining 75% are exercisable from the first transaction date after 48 months since grant date to the last transaction date of the Scheme. Each option gives the holder the right to subscribe for one ordinary share in the Company. In addition, the holder must simultaneously satisfy all the condition as follows:

- (a) The holder should pass the previous year's evaluation.
- (b) The increase of net profit attributable to ordinary shareholders of the Company after deducting nonrecurring profit or loss should not be lower than the 6% and the average return on net assets after deducting non-recurring profit or loss should not be lower than 10% for the previous year of the exercise date.
- (c) During the waiting period, the net profit attributable to ordinary shareholders of the Company and the net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit or loss should not be lower than the average figures of the three fiscal years before the grant day or negative.

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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 (Continued)

The total number of share options granted was 60,000,000, 54,000,000 among which were for the initial grant with exercise price of RMB12.39 per share while the remaining 6,000,000 options were for reservation.

The Company distributed a cash dividend of RMB0.35 per share, RMB0.46 per share, RMB0.23 per share, RMB0.27 and RMB0.31 per share on 31 May 2011, 21 June 2012, 28 June 2013, 27 June 2014 and 29 July 2015 respectively to ordinary shareholders. In accordance with the Scheme, upon the implementation of the annual dividend distribution plan for 2010, 2011, 2012, 2013 and 2014, the Board of Directors adjusted the exercise price of the aforementioned 54,000,000 share options granted on 28 September 2010. After the adjustment, the exercise price is RMB10.77 per share.

According to the resolution approved by the shareholders' meeting on 22 September 2011, the aforementioned 6,000,000 share options for reservation in the Scheme on 28 September 2010 were granted with exercise price of RMB17.57 per share. With the implementation of annual dividend distribution plan for 2011, 2012, 2013 and 2014 to ordinary shareholders with cash dividend of RMB0.46, RMB0.23, RMB0.27 and RMB0.31 respectively, the exercise price for the reserved share options was adjusted to RMB16.30 per share.

Movement of share options of the Company:

	2015 '000	2014 '000
Beginning balance	46,259	59,617
Exercised in current period	(19,095)	(10,233)
Cancelled in current year	(1,103)	–
Forfeited in current year	(75)	(3,125)
Ending balance	25,986	46,259

(3) Equity-settled share-based payment of CIMC Tianyu

In 2013, CIMC Tianyu, one subsidiary of the Group, implemented an equity trust scheme. Through this program, employees, who participated in the scheme, bought 8% stake of CIMC Tianyu from CIMC SD, who is the direct holding company of CIMC Tianyu, through Chang'an International Trust Co. Ltd.

Since CIMC Tianyu is an unlisted company that its shares are less liquid, therefore it is hard to exit this plan because of restrictions. Also the fair value of this share-based payment is low. Therefore, the Group did not recognise corresponding equity-settled share-based payments as to this equity trust scheme.

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IX. SHARE-BASED PAYMENTS (CONTINUED)

2. Information on equity-settled share-based payment (Continued)

(4) Basis of the best estimate of the number of equity instruments expected to vest is as follows:

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

There was no significant difference of estimation between current year and last year.

As at 31 December 2015, Accumulated amount recognised in capital reserve for equity-settled share-based payments	402,887
Total expenses recognised for equity-settled share-based payments for current year	
Including: – attributed to the Company	6,999
– attributed to Enric	55,371
	62,370

3. Information on cash-settled share-based payment

According to the approved Share Appreciation Rights Scheme (draft) Revised (“Scheme”) during the board meeting of Raffles held on 27 September 2011, a subsidiary of the Group, Raffles adopted Share Appreciation Rights (“SARs”) which is to grant the relevant incentive recipients the right to receive incentive amount in cash from Raffles upon the satisfaction of relevant financial performance of Raffles. Incentive amount is the excess of fair market price of A share of the Company on a particular date over the exercise price.

The scope of incentive recipients of this scheme: the appointed senior management who is non-Chinese nationality of Raffles and its subsidiaries or associates as well as person(s) who made special contribution to Raffles in the discretion of the board of directors. There are 4 incentive recipients in the scope with total 760,000 SARs granted.

The Scheme is conditional, which sets stipulations for appraisal result of incentive recipients’ performance, misconduct activity and financial performance standards of the Group to fulfil.

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IX. SHARE-BASED PAYMENTS (CONTINUED)

3. Information on cash-settled share-based payment (Continued)

The SARs are exercisable in 2 instalment periods after 2 years from the right-grant date upon the satisfaction of exercisable conditions:

- (1) The SARs are up to 25% exercisable from the first transaction date after 24 months since grant date to the last transaction date after 48 months since grant date.
- (2) The remaining SARs up to 75% are exercisable from the first transaction date after 48 months since grant date to the last transaction date of the Scheme.

Raffles will write off the unexercised SARs after each exercise period expires if the SARs being requested for exercise by the grantee satisfying exercise conditions is less than the number of effective SARs during each period.

Raffles will write off unexercised SARs, which was granted but invalid due to un-satisfaction of the exercise condition during the exercise period, after each period expires.

As at 31 December 2015, the amount of accumulated liabilities to cash-settled share-based payment was nil, and the expenses recognised for cash-settle share-based payment was nil for year 2015.

The movement of cash-settled share options:

	2015	2014
Beginning balance	150,000	150,000
Cancelled in current period	(150,000)	–
Ending balance	–	150,000

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X. CONTINGENCIES

1. Contingent liabilities

CIMC Raffles (a subsidiary of the Company) entered into vessel construction contracts and vessel leasing contracts with relevant purchasers, which involve terms of compensation for delivery postponement and termination. The management team of Raffles expected the risk of delivery postponement is high which will incur the compensation, therefore the management team decided to accrue a provision amounted USD8,225,000 (equivalent to RMB53,410,000) in accordance with both the daily compensation amount written in the contracts and the expected postponed days with highest chance.

Yangzhou CIMC Tong Hua Special Vehicles Co., Ltd. (YZTH) (a subsidiary of the Company) provided guarantee to the mortgage loans by which some of its clients bought its mixer trucks, but some of the loan repayments have been overdue severely, the management team expected there is possibility for YZTH to repay the loans for the clients, therefore they decided to accrue a provision amounted RMB26,530,000.

2. Guarantees provided for external parties

CIMC Vehicle Group, a subsidiary of the Group, signed contracts with Bank of Communications, Bank of China, China Everbright Bank and China Merchants Bank, pursuant to which relevant banks provided guarantees in respect of banking facilities granted to the distributors and customers of CIMC Vehicle Group and its subsidiaries arising from purchase of vehicle products. As at 31 December 2015, as approved by the Board of the Company, the aggregate amount of credit facilities in respect of which CIMC Vehicle Group and its subsidiaries provided guarantees to the distributors and customers was RMB809,315,000 (31 December 2014: RMB847,892,000).

CIMC Raffles, a subsidiary of the Group, provided the guarantee for the vessel leasing of its clients. As at 31 December 2015, the amount guaranteed by Raffles was about RMB477,500,000.

CIMC Haoyu, YJFR, Yangzhou CIMC Dayu Real Estate Development Co., Ltd, subsidiaries of the Group, provided guarantees to purchasers of commodity homes by the way of secured loans. The amount of guarantees provided by the Group was RMB537,417,000 as at 31 December 2015 (31 December 2014: RMB138,673,000).

CIMC Enric, a subsidiary of the Group, provided the guarantee to the bank loans of SinoPacific Offshore & Engineering Co., Ltd. As at 31 December 2015, the outstanding borrowings guaranteed by CIMC Enric was RMB550,000,000.

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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 Group does not recognise bills payable or letter of credit issued as deposits. Corresponding inventories, advance to suppliers and notes payable are recognised at the earlier of the date of delivery of goods and the maturity date of the bills issued. As at 31 December 2015, the Group had bills issued but not accounted for and outstanding letters of credit totalling RMB1,022,074,000 (31 December 2014: RMB1,412,328,000).

As at 31 December 2015, TAS had outstanding balance of guarantees issued by relevant banks totalling RMB625,391,000, of which the balance of performance guarantees, payment guarantees, bid guarantees, and quality guarantees were RMB501,466,000, RMB34,240,000, RMB59,457,000 and RMB30,228,000 respectively (total balance as at 31 December 2014: 213,478,000).

As at 31 December 2015, CIMC Enric had outstanding balance of guarantees issued by relevant banks totalling RMB777,036,000, of which the balance of performance and advance payment guarantees, bid and quality guarantees, project schedule guarantees were RMB735,718,000, RMB7,255,000 and USD5,246,000 (equivalent to RMB34,063,000) respectively (total balance as at 31 December 2014: 5,172,000).

As at 31 December 2015, CMIC Raffles had outstanding balance of guarantees issued by relevant banks totaling USD151,961,000 (equivalent to RMB986,776,000), of which the balance of payment guarantees, advance payment guarantees, quality guarantees and performance guarantees were USD6,078,000 (equivalent to RMB39,467,000), USD92,130,000 (equivalent to RMB598,256,000), USD21,753,000 (equivalent to RMB141,258,000) and USD32,000,000 (equivalent to RMB207,795,000) respectively (total balance as at 31 December 2014: 625,982,000).

4. Significant pending litigations

CIMC Raffles (a subsidiary of the Company) entered into drilling platform construction contracts, and the platform had been delivered to the purchasers in 2015. The purchasers believed that the deliverables cannot fulfill the technical requirements written in the construction contract, hence they asked Raffles to pay them compensation amounted to USD2,000,000. As at audited report date, the final result of the litigation has not been reached. The management team of Raffles expected there is high risk to pay the compensation, hence they decided to accrue a provision valued USD2,000,000 (equivalent to RMB12,987,000) in 2015.

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XI. COMMITMENTS

1. Significant commitments

(1) Capital commitments

	2015	2014
Significant fixed assets purchase contracts entered into under performance or preparation of performance	10,657	2,657
Investment contracts entered into but not performed or performed partially	556,006	150,355
Significant contracts entered into for Ships to be manufactured for sales or lease	383,489	519,242
External investment approved by the Board of Directors	10,029	24,062
Total	960,181	696,316

Capital commitments authorised by the management but are not yet contracted for:

	31 December 2015	31 December 2014
Buildings, machinery and equipment	10,029	24,062

(2) Operating lease commitments

The future minimum lease payments due under the signed irrevocable operating leases contracts at the year end are summarised as follows:

	2015	2014
Within 1 year (inclusive)	45,565	30,888
Over 1 year but within 2 years (inclusive)	32,499	28,315
Over 2 years but within 3 years (inclusive)	20,454	13,974
Over 3 years	70,025	65,873
Total	168,543	139,050

Operating lease recognised as expenses in 2015 amounted to RMB67,996,000 (2014: RMB68,187,000).

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XII. EVENTS AFTER THE BALANCE SHEET DATE

1. Dividend distribution after the balance sheet date

Dividend proposed (Note (1))	655,120
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(1) Dividend for ordinary shares proposed after the balance sheet date

Board of directors proposed to distribute cash dividend of RMB0.22 per share to ordinary shareholders of the Company on 28 March 2016, totaling at RMB655,120,000 based on the shares on 31 December 2015 (2014: RMB0.31 per share, totaling at RMB828,514,000). The proposal is pending for approval of the Shareholders Meeting. The dividend distribution plan is subjected to the shares on the date of record. The cash dividend proposed after the balance sheet date had not been recognised as a liability at the balance sheet date.

XIII. SEGMENT REPORTING

In accordance with the Group's internal organisation structure, management requirement and internal reporting process, nine reportable segments are identified by the Group including: Containers, Road transportation vehicles, Energy and chemistry & food equipment, Offshore business, Airport facilities, Logistic services, Finance, Property development and Heavy trucks. Each reportable segment is an independent business segment providing different products and services. Independent management is applied to individual business segment as different technical and market strategy are adopted. The Group reviews the financial information of individual segment regularly to determine resources allocation and performance assessment.

1. Segment profits, losses, assets and liabilities

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

Segment assets include tangible assets, intangible assets, other long-term assets and accounts receivable, etc, but exclude deferred tax assets and other un-allocated headquarter assets. Segment liabilities include payables, bank loans, provision, special payables and other liabilities, while deferred tax liabilities are exclude.

Segment profit represents revenue (including external revenue and inter-segment revenue), offsetting segment expenses, depreciation and amortisation, impairment losses, interest expenses and income attributable to individual segment. Transactions conducted among segments are under normal non-related party transaction commercial terms.

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XIII. SEGMENT REPORTING (CONTINUED)

1. Segment profits, losses, assets and liabilities (Continued)

Information to be disclosed on each of the Group's reportable segment (including management's periodically reviewed information and disclosure required by accounting standard) that the Group uses in measuring segments' profit/(loss), assets and liabilities is set out as follows:

Item	Energy and										Elimination between segments	Unallocated items	Total
	Containers	Road transportation vehicles	chemistry & food equipment	Offshore business	Airport facilities	Logistic services	Finance	Property development	Heavy trucks	Others			
	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015
External transaction	20,539,598	12,712,235	8,811,757	1,603,513	2,819,980	7,680,472	1,791,929	1,103,606	750,970	871,744	-	-	58,685,804
Inter segment transaction	531,571	149,324	493,324	6,353,445	-	119,526	-	188,272	105,489	282,026	(8,222,977)	-	-
Cost of sales from main operations	17,265,511	10,176,577	7,395,342	7,221,814	2,173,699	7,048,656	620,569	839,871	895,947	935,005	(7,171,092)	-	47,401,899
Investment income/(loss) in joint ventures and associates	(1,007)	1,723	678	-	-	29,112	11,988	207,810	(9,976)	(758)	-	2,079	241,649
Impairment loss for the year	42,293	98,527	24,624	4,963	8,500	38,008	289,891	855	54,815	1,888	(11,307)	(1,887)	551,170
Depreciation and amortization expenses	390,027	247,384	219,289	270,902	167,700	165,958	202,007	16,283	132,717	36,478	-	62,509	1,911,254
Interest income	265,045	53,313	35,492	157,267	1,673	10,961	189,358	18,515	6,635	847,075	(1,539,304)	26,353	72,383
Interest expenses	83,090	92,167	65,380	224,619	22,148	59,372	109,982	29,655	117,728	38,536	(1,281,470)	936,453	497,660
Segment operating profit/(loss)	1,319,307	737,229	642,593	13,837	63,395	145,620	802,749	390,761	(328,611)	(262,733)	(119,859)	(197,936)	3,206,352
Income tax expenses	323,234	164,848	167,470	25,708	1,079	44,637	29,050	50,988	76,166	7,811	(13,836)	57,236	934,391
Net profit/(loss)	996,073	572,381	475,123	(11,871)	62,316	100,983	773,699	339,773	(404,777)	(270,544)	(106,023)	(255,172)	2,271,961
Segment total assets	18,486,132	10,922,436	13,542,110	29,872,981	3,324,900	4,169,531	23,495,376	4,258,299	3,871,077	5,637,860	(17,098,043)	6,280,512	106,763,171
Segment total liabilities	10,766,411	5,768,905	7,948,597	29,579,796	2,027,418	3,191,294	19,799,616	3,129,906	3,856,221	2,484,587	(50,552,665)	33,268,209	71,268,295
Supplementary information:													
- Segment expenditures/ (income) other than depreciation and amortization	(63,831)	74,613	(16,091)	220,680	(1,061)	24,221	299,752	1,022	53,873	1,680	(11,307)	162,314	745,865
- Long-term equity investment of joint ventures and associates	55,552	61,524	4,678	-	-	512,934	170,510	319,488	193,831	697,211	-	20,639	2,036,367
- Segment expenditures raising from additions of non-current assets	1,293,041	595,316	708,469	4,630,629	688,978	333,190	7,314,797	42,481	195,887	588,009	-	4,889	16,395,686

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XIII. SEGMENT REPORTING (CONTINUED)

1. Segment profits, losses, assets and liabilities (Continued)

Information to be disclosed on each of the Group's reportable segment (including management's periodically reviewed information and disclosure required by accounting standard) that the Group uses in measuring segments' profit/(loss), assets and liabilities is set out as follows (Continued):

Item	Energy and										Elimination between segments	Unallocated items	Total
	Containers	Road transportation vehicles	chemistry & food equipment	Offshore business	Airport facilities	Logistic services	Finance	Property development	Heavy trucks	Others			
	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014
External transaction	23,702,510	13,168,980	12,301,667	5,706,447	2,726,946	8,156,192	1,484,030	1,136,070	698,889	989,124	-	-	70,070,855
Inter segment transaction	110,296	221,142	613,988	6,158,178	-	316,850	96,996	-	360,192	213,620	(8,091,262)	-	-
Cost of sales from main operations	20,409,230	10,985,824	10,367,102	11,262,067	2,131,531	7,610,835	776,137	682,877	1,007,059	1,042,633	(8,256,322)	-	58,018,973
Investment income/(loss) in joint ventures and associates	7,234	1,957	(1,497)	-	-	31,728	16,683	62,492	(6,213)	(12,127)	-	(41,133)	59,124
Impairment loss for the year	64,860	62,840	16,600	(73,740)	10,486	48,581	88,066	(591)	24,249	53,178	(10,391)	-	284,138
Depreciation and amortization expenses	372,766	282,132	281,687	227,635	19,400	175,241	244,719	7,385	89,888	36,757	-	65,047	1,802,657
Interest income	195,463	61,907	25,287	5,822	3,512	12,999	88,407	8,750	3,731	767,982	(920,849)	21,590	274,601
Interest expenses	98,262	107,786	70,798	475,493	64,587	40,625	103,669	33,306	46,113	31,345	(721,618)	816,329	1,166,695
Segment operating profit/(loss)	972,123	837,645	1,222,407	8,327	103,368	189,488	613,053	275,031	(73,769)	(225,259)	290,357	(642,355)	3,570,416
Income tax expenses	261,685	189,364	177,921	3,666	16,612	51,659	54,437	71,377	(13,295)	14,611	-	(291,549)	536,488
Net profit/(loss)	710,438	648,281	1,044,486	4,661	86,756	137,829	558,616	203,654	(60,474)	(239,870)	290,357	(350,806)	3,033,928
Segment total assets	17,523,763	10,462,047	11,936,837	23,685,439	2,947,002	4,348,684	16,180,076	4,003,970	3,709,617	4,600,531	(15,692,844)	4,071,059	87,776,181
Segment total liabilities	10,357,563	5,078,841	6,818,576	23,250,995	2,112,337	3,048,728	13,748,988	3,181,823	3,186,138	3,001,622	(41,670,914)	28,379,369	60,494,066
Supplementary information: - Segment expenditures/ (income) other than depreciation and amortization	209,780	57,835	(1,095)	(62,785)	2,859	56,305	98,004	(682)	23,938	(51,630)	(10,391)	170,815	492,953
- Long-term equity investment of joint ventures and associates	42,904	50,236	4,457	-	-	370,270	143,394	111,678	203,807	23,751	-	215,177	1,165,674
- Segment expenditures raising from additions of non-current assets	1,215,361	680,390	831,577	1,592,479	440,057	413,122	14,591,694	9,312	2,282,766	6,519	-	88,388	22,151,665

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XIII. SEGMENT REPORTING (CONTINUED)

2. Geographic information

The following table sets out information about the geographical information of the Group's revenue from external customers and the Group's non-current assets (excluding financial assets and deferred tax assets, same for the below). The geographical locations of customers are based on the location at which the services were provided or the goods were delivered. The geographical locations of the specified non-current assets are based on the physical location of the assets (for fixed assets), or the location of the business to which they are allocated (for intangible assets and goodwill), or the location of operations of the associates and joint ventures.

Geographic information (according to the receiving party division)

	Revenue from external customers		Total non-current assets	
	2015	2014	31 December 2015	31 December 2014
	P.R.China	24,684,517	29,772,543	47,110,129
Asia (exclusive of China)	9,181,983	13,457,342	270,572	308,237
America	8,880,239	12,976,043	214,442	5,764,622
Europe	13,836,675	11,664,021	1,189,268	1,215,473
Others	2,102,390	2,200,906	78,796	69,072
Total	58,685,804	70,070,855	48,863,207	37,640,693

XIV. FINANCIAL RISK AND FAIR VALUES OF FINANCIAL INSTRUMENTS

The Group has exposure to the following risks from its use of financial instruments in the normal course of the Group's operations, which mainly include:

- Credit risk
- Liquidity risk
- Interest rate risk
- Foreign exchange risk

This note presents information about the Group's exposure to each of the above risks and their sources, the Group's objectives, policies and processes for measuring and managing risks and etc.

The Group aims to seek the appropriate balance between the risks and benefits from its use of financial instruments and to mitigate the adverse effects that the risks of financial instruments have on the Group's financial performance. Based on such objectives, the Group's risk management policies are established to identify and analyses the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The internal audit department of the Group undertakes both regular and adhoc reviews of risk management controls and procedures.

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XIV. FINANCIAL RISK AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

1. Credit risk

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

The cash at bank of the Group is mainly held with well-known financial institutions. Management does not foresee any significant credit risks from these deposits and does not expect that these financial institutions may default and cause losses to the Group.

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

The management team of the Group had made the plan for financial leasing receivable risk management, based on the research on its own industries, the credit rating of counterparties and the knowledge of the counterparties' businesses and financial standings. If the default of contract occurs, the management team of the Group may ask for returning, withdrawing or selling leased property, depending on the applicableness in individual cases. If the delay of repayment occurs, the management team keeps the right to collect the default interest based on the amount of overdue repayment and default interest rate, until the overdue payment will have been paid. In addition, the management team may ask for the deposit which can be paid for the money owed by the leasee, depending on individual cases. When the Group assesses the credit risk, its strategy is to manage, restrict and control the over-concentration of the credit risk, especially, regularly assessing leasee's ability to make the repayment.

Most of the Group's and the Company's customers have been transacting with the Group or the Company for a long time, and losses have occurred infrequently. In monitoring customer credit risk, customers are grouped according to some factors, such as ageing and maturity date. This Group has made the provision for the significant overdue receivables at 31 December 2015.

Based on the indicators such as assets conditions and profit forecast of the associates and joint ventures, the Group provide funds to them and continuously monitor the project progress and business condition, to ensure the recoverability of fund.

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XIV. FINANCIAL RISK AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

1. Credit risk (Continued)

In addition, the receivables of the Group that are neither overdue nor impaired mainly due from a wide range of customers for whom there was no recent history of default.

The Group's exposure to credit risk is influenced mainly by the individual characteristics and industries of each customer rather than country or area in which the customers operate. And therefore significant concentrations of credit risk arise primarily when the Group has significant exposure to individual customers. At the balance sheet date, the Group and the Company had a certain concentration of credit risk, as 12.40% (2014: 10.55%) of the total accounts receivable and other receivables were due from the five largest customers of the Group.

Investments are normally made only to liquid securities quoted on a recognised stock exchange (except for investments for long-term strategic purposes). Besides, the credit rating of counterparty should be the same or above the Group. For transactions involving derivative financial instruments, counterparties should have sound credit ratings and with whom the Group has a signed netting ISDA agreement (International Swap Derivative Association). Given their high credit ratings, management does not expect any investment counterparty to fail to meet its obligations.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, as in the balance sheet. Except for the financial guarantees given by the Group as set out in Note X, the Group and the Company do not provide any other guarantees which would expose the Group or the Company to credit risk. The maximum exposure to credit risk in respect of these financial guarantees at the balance sheet date is disclosed in Note X.

2. Liquidity risk

Liquidity risk is the risk that an enterprise may encounter deficiency of funds in meeting obligations associated with financial liabilities. The Company is responsible for the cash management, including short term investment of cash surpluses and the raising of loans to cover expected cash demands, for individual subsidiaries subject to approval by the Company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its short-term and long-term liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities.

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XIV. FINANCIAL RISK AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

2. Liquidity risk (Continued)

The following tables show the remaining contractual maturities at the balance sheet date of the Group's financial assets and financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or if floating, based on prevailing interest rates at 31 December) and the earliest date the Group can be required to pay:

	31 December 2015 Undiscounted contractual cash flow					Total	Carrying amount at balance sheet date
	Within 1 year or on demand	1 to 2 years	2 to 5 years	Over 5 years			
Financial assets							
Cash at bank and on hand	4,487,166	–	–	–	4,487,166	4,487,166	
Financial assets at fair value through profit or loss	133,294	–	19,755	–	153,049	153,049	
Accounts receivable and other receivables	15,928,370	–	–	–	15,928,370	15,928,370	
Current portion of non-current assets	5,559,327	–	–	–	5,559,327	3,228,668	
Long-term receivables	–	3,478,453	7,084,625	11,122,586	21,685,664	12,734,564	
Sub-total	26,108,157	3,478,453	7,104,380	11,122,586	47,813,576	36,531,817	
Financial liabilities							
Financial liabilities at fair value through profit or loss	291,037	–	15,203	–	306,240	306,240	
Short-term borrowings	17,909,024	–	–	–	17,909,024	17,909,024	
Notes payable	1,749,077	–	–	–	1,749,077	1,749,077	
Accounts payable and other payables	14,178,019	–	–	–	14,178,019	14,178,019	
Interest payable	216,374	–	–	–	216,374	216,374	
Dividends payable	56,034	–	–	–	56,034	56,034	
Current portion of non-current liabilities	4,765,523	–	–	–	4,765,523	4,765,523	
Long-term borrowings	9,577	16,534,428	11,140,759	1,067,646	28,752,410	23,684,838	
Long-term payables	–	309,599	248,399	22,105	580,103	550,136	
Sub-total	39,174,665	16,844,027	11,404,361	1,089,751	68,512,804	63,415,265	
Net total	(13,066,508)	(13,365,574)	(4,299,981)	10,032,835	(20,699,228)	(26,883,448)	

As at 31 December 2015, the Group has got commitments from main financial institutions to provide enough reserve funds, in order to satisfy short-term and long-term demands of working capital.

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XIV. FINANCIAL RISK AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

2. Liquidity risk (Continued)

	31 December 2014					Balance sheet carrying amount
	Undiscounted contractual cash flow					
	Within 1 year or on demand	1 to 2 years	2 to 5 years	Over 5 years	Total	
Financial assets						
Cash at bank and on hand	3,667,387	–	–	–	3,667,387	3,667,387
Financial assets at fair value through profit or loss	427,669	–	–	–	427,669	427,669
Accounts receivable and other receivables	16,128,122	–	–	–	16,128,122	16,128,122
Current portion of non-current assets	2,388,975	–	–	–	2,388,975	2,388,975
Long-term receivables	2,602,713	1,565,159	1,925,888	257,261	6,351,021	3,449,542
Sub-total	25,214,866	1,565,159	1,925,888	257,261	28,963,174	26,061,695
Financial liabilities						
Financial liabilities at fair value through profit or loss	177,541	–	–	–	177,541	177,541
Short-term borrowings	11,239,527	–	–	–	11,239,527	11,239,527
Notes payable	1,684,016	–	–	–	1,684,016	1,684,016
Debentures payable	689,383	4,209,200	–	–	4,898,583	4,455,080
Accounts payable and other payables	16,651,855	–	–	–	16,651,855	16,651,855
Interest payable	185,780	–	–	–	185,780	185,780
Dividends payable	47,973	–	–	–	47,973	47,973
Current portion of non-current liabilities	4,052,854	–	–	–	4,052,854	4,052,854
Long-term borrowings	395,562	5,672,657	6,922,858	–	12,991,077	11,110,296
Long-term payables	237,504	195,967	162,655	134,947	731,073	672,562
Sub-total	35,361,995	10,077,824	7,085,513	134,947	52,660,279	50,277,484
Net total	(10,147,129)	(8,512,665)	(5,159,625)	122,314	(23,697,105)	(24,215,789)

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XIV. FINANCIAL RISK AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

2. Liquidity risk (Continued)

Bank and other borrowings are analysed by repayment terms as follows:

	31 December 2015		31 December 2014	
	Bank borrowings	Other borrowings	Bank borrowings	Other borrowings
Within 1 year	18,558,027	–	13,290,405	–
1 to 2 years	15,224,106	–	3,298,065	–
2 to 5 years	7,594,903	–	7,812,231	–
over 5 years	865,829	–	–	–
	42,242,865	–	24,400,701	–

3. Interest rate risk

Fixed and floating interest-bearing financial instruments exposed the Group to interest rate risk of fair value and cash flow, respectively. The interest rate policy is to ensure the exposure of interest rate risk of borrowing is within a reasonable scope. The Group had entered into interest rate swap contracts, which were made based on the currencies of the borrowings. Hence the Group set up appropriate fixed and floating interest rate risk portfolio, to meet the policy.

(1) As at 31 December 2015, the Group held the following interest-bearing financial instruments:

	31 December 2015		31 December 2014	
	Interest rate (%)	Amount	Interest rate (%)	Amount
Fixed rates interest-bearing financial instruments				
Financial assets				
– Long-term receivables	2.58%-17.53%	12,734,564	2.58%-17.53%	3,449,542
– Current portion of non-current assets	2.58%-17.53%	3,228,668	2.58%-17.53%	2,388,975
Financial liabilities				
– Short-term borrowings	0.63%~17.12%	8,555,791	1.08%-7.28%	2,645,497
– Current portion of debentures payable	4.43%-5.23%	3,998,881	4.43%-5.23%	2,000,000
– Debentures payable	–	–	4.43%-5.23%	4,455,080
– Long-term borrowings	1.2%~6.15%	3,916,702	2.53%-6.40%	2,146,526
Total		(508,142)		(5,408,586)

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XIV. FINANCIAL RISK AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

3. Interest rate risk (Continued)

(1) As at 31 December 2015, the Group held the following interest-bearing financial instruments (Continued):

	31 December 2015		31 December 2014	
	Interest rate (%)	Amount	Interest rate (%)	Amount
Floating rates interest-bearing financial instruments				
Financial assets				
– Cash at bank and on hand	0.35%-3.75%	4,487,166	0.35%-3.75%	3,667,387
Financial liabilities				
– Current portion of long-term borrowings	1M Libor+145bps~ 1M Libor+245bps	649,003	1M Libor+190bps- 3M Libor+230bps	2,050,878
– Long-term borrowings	1M Libor+145bps~ 6M Libor+310bps	19,768,136	8.02%-12.86%	8,963,770
– Short-term borrowing	1M Libor+125bps~ 6M Libor+230bps	9,353,233	1M libor+100bps- 6M libor+380bps	8,594,030
– Long-term payables	8.02%~12.86%	550,136	8.02%-12.86%	672,562
– Current portion of long-term payables	8.02%~12.86%	115,224	8.02%-12.86%	109
Total		(25,948,566)		(16,613,962)

(2) Sensitivity analysis

As at 31 December 2015, it is estimated that a general increase/decrease of 25 basis points (31 December 2014: 25 basis points) in interest rates, with all other variables held constant, would increase/decrease the Group's net profit by RMB48,654,000 and equity by RMB48,654,000 (2014: RMB31,151,000 and RMB31,151,000, respectively).

The sensitivity analysis above indicates the instantaneous change in the net profit and equity that would arise assuming that the change in interest rate had occurred at the balance sheet date and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the balance sheet date. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the balance sheet date, the impact on the net profit and equity is estimated as an annualised impact on interest expense or income of such a change in interest rates. The analysis was performed on the same basis for the previous year.

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XIV. FINANCIAL RISK AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

4. Foreign exchange risk

The major currency received by the Group is USD and the major currency paid out is RMB. In order to avoid the risks resulting from the fluctuation of the exchange rate of RMB, in respect of accounts receivable and payables denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

- (1) Besides the exposure to currency risk arising from financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss disclosed in Note IV.2 and IV.25, the Group's exposure as at 31 December to currency risk arising from recognised assets or liabilities denominated in foreign currencies is follows. For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rate at the balance sheet date. Differences resulting from the translation of the financial statements denominated in foreign currency are excluded.

	31 December 2015				31 December 2014			
	USD	EUR	HKD	JPY	USD	EUR	HKD	JPY
Cash at bank and on hand	316,077	506,361	19,899	18,491	87,057	776,287	1,164	34,955
Receivables	4,045,832	1,335,104	47,544	24,715	3,393,780	791,615	707	40,387
Short-term borrowings	(12,049,493)	(278,494)	-	(5,388)	(7,541,463)	(268,220)	(35,499)	-
Long-term borrowings	(21,092,096)	-	(83,778)	-	(9,838,791)	-	-	-
Payables	(1,035,809)	(1,167,766)	(391,933)	(1,825)	(1,375,618)	(117,159)	(9,714)	(5,877)
Current portion of non-current liabilities	(503,684)	-	-	-	(574,102)	-	-	-
Gross balance sheet exposure	(30,319,173)	395,205	(408,268)	35,993	(15,849,137)	1,182,523	(43,342)	69,465

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XIV. FINANCIAL RISK AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

4. Foreign exchange risk (Continued)

- (2) The following are the exchange rates for RMB against foreign currencies applied by the Group and the Company:

	Average exchange rate		Benchmark average exchange rate	
	2015	2014	31 December	31 December
			2015	2014
USD	6.2305	6.1501	6.4935	6.1200
EUR	6.8918	8.0841	7.0972	7.4571
HKD	0.8037	0.7928	0.8378	0.7889
JPY	0.0516	0.0577	0.0539	0.0514

- (3) Sensitivity analysis

Assuming all other risk variables remained constant, 3.70%, 3.10%, 3.40% and 3.20% weakening of the RMB against the USD, EUR, HK dollar and Japanese Yen respectively at 31 December 2015 (-1.00%, 13.00%, 1.00% and 6.00% strengthening of the RMB against the USD, EUR, HK dollar, and Japanese Yen respectively at 31 December 2014) would have increased (decreased) equity and net profit by the amount shown below; whose effect is in RMB and translated using the spot rate at the balance sheet date:

	Equity	Net profit
31 December 2015		
USD	(841,357)	(841,357)
EUR	9,189	9,189
HKD	(10,411)	(10,411)
JPY	864	864
Total	(841,715)	(841,715)
31 December 2014		
USD	(97,472)	(97,472)
EUR	(114,232)	(114,232)
HKD	169	169
JPY	(3,105)	(3,105)
Total	(214,640)	(214,640)

3.70%, 3.10%, 3.40% and 3.20% strengthening of the RMB against USD, EUR, HK dollar and Japanese Yen respectively at 31 December 2015 (-1.00%, 13.00%, 1.00% and 6.00% weakening of the RMB against the USD, EUR, HK dollar, and Japanese Yen respectively at 31 December 2014) would have had the equal but opposite effect on the amounts shown above, on the basis that all other variables remain constant.

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XIV. FINANCIAL RISK AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

4. Foreign exchange risk (Continued)

(3) Sensitivity analysis (Continued)

The sensitivity analysis above assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the balance sheet date, the analysis excludes differences that would result from the translation of the financial statements denominated in foreign currency. The analysis is performed on the same basis for the previous year.

The above sensitive analysis does not include exposure to currency risk arising from foreign future contracts, Japanese Yen exchange option and swap contract for interest rate disclosed in Note IV.2 and IV.25 about financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss, but the change in exchange rate may have effect on shareholders' equity and net profit.

5. Other price risks

Other price risks are stock price risk. As at 31 December 2015, the Group held 40,414,000 tradable shares of Qingdao Port International Co., Ltd.

As at 31 December 2015, it is estimated that a general increase/decrease of the comprehensive index of H-shares 5.00% (31 December 2014: 5.00%), with all other variables held constant, would increase/decrease the Group's shareholders' equity by RMB5,619,000 (31 December 2014: RMB10,399,000).

The sensitivity analysis above arise assuming that the change in the comprehensive index of H-shares occurred at the balance sheet date is reasonable and had been applied to re-measure those investments in securities held by the Group. The sensitivity analysis is also based on another assumption, namely, the fair value of the investments in securities held by the Group is relevant to composite index of stock market, and available-for-sales securities investment has same risk factor as trading securities investment, and all other variables held constant. 20.00% change in the comprehensive index of H-shares is a reasonable expectation of the Group for the period from the balance date to the next balance sheet date.

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XIV. FINANCIAL RISK AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

6. Estimates of fair value of financial instruments

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices);

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

(1) Assets continuously measured at fair value

The following table presents the Group's assets and liabilities that are measured at fair value in the above three levels as at 31 December 2015:

Assets	Note	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Investments in equity instrument held for trading	IV.2	122,171	–	–	122,171
Derivative financial assets	IV.2	–	30,878	–	30,878
Sub-total		122,171	30,878	–	153,049
Available-for-sale financial assets	IV.10	1,342	30,000	–	31,342
Total		123,513	60,878	–	184,391

Liabilities	Note	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	IV.25	–	(258,146)	–	(258,146)
Hedging Instrument	IV.25	–	(7,826)	–	(7,826)
Financial guarantee contracts	IV.25	–	–	(40,268)	(40,268)
Total		–	(265,972)	(40,268)	(306,240)

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XIV. FINANCIAL RISK AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

6. Estimates of fair value of financial instruments (Continued)

(1) Assets continuously measured at fair value (Continued)

The following table presents the Group's assets and liabilities that are measured at fair value in the above three levels as at 31 December 2014:

Assets	Note	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Investments in equity instrument held for trading	IV.2	403,709	–	–	403,709
Derivative financial assets	IV.2	–	22,741	–	22,741
Hedging Instrument	IV.2	–	1,219	–	1,219
Sub-total		403,709	23,960	–	427,669
Available-for-sale financial assets	IV.10	6,514	–	–	6,514
Total		410,223	23,960	–	434,183

Liabilities	Note	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	IV.25	–	(148,669)	–	(148,669)
Hedging Instrument	IV.25	–	(10,384)	–	(10,384)
Financial guarantee contracts	IV.25	–	–	(18,488)	(18,488)
Total		–	(159,053)	(18,488)	(177,541)

The Group make the date when matters occurred which result in significant transfers between instruments in the three levels as the point of transfer. During the year ended 31 December 2015, there were no significant transfers between instruments in Level 1 and Level 2 neither nor Level 2 and Level 3.

For traded in active markets financial instruments, the group measures its fair value at an active market price; for not traded in active markets financial instruments, the group uses valuation techniques to determine the fair value. Valuation model mainly used are the discounted cash flow model and market comparable company model etc. Input values of the valuation techniques include the risk free interest rate, benchmark interest rate, exchange rate, credit spreads, liquidity premium, EBITDA multiplier, the lack of liquidity discount etc.

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XIV. FINANCIAL RISK AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

6. Estimates of fair value of financial instruments (Continued)

(2) Assets and liabilities not measured at fair value but disclosed at the fair value

Financial assets and liabilities in the group measured by the amortized cost method of including: accounts receivable, short-term borrowings, accounts payable, long-term borrowings, debentures payables, long-term payables etc.

As at 31 December 2015, all financial instruments are carried at amounts not materially different from their fair value.

There is an active market for bonds payable and fair value is determined by the quotations in the active market, which belongs to the first level. Fair value of long-term borrowings, long-term payables and debentures payables with no active market is determined by the discounted future cash flow of the contract in accordance with interest that is comparable and offer the same cash flow under the same conditions, which belongs to the third level.

(3) Estimation and assumption of fair values

The following summarises the major methods and assumptions used in estimating the fair values of financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss, available-for-sale financial assets on the balance sheet date.

(a) *Equity investments*

Fair value is based on quoted market prices at the balance sheet date for fair values of financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss (excluding derivatives), and available-for-sale financial assets if there is an active market.

(b) *Receivables*

The fair value is estimated as the present value of the future cash flows, discounted at the market interest rates at the balance sheet date.

(c) *Borrowings, debentures payable, long-term payables and other non-derivatives financial liabilities*

The fair value of borrowings, debentures payable, long-term payables and other non-derivatives financial liabilities is estimated as the present value of future cash flows, discounted at the market rate of interest at the balance sheet date.

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XIV. FINANCIAL RISK AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

6. Estimates of fair value of financial instruments (Continued)

(3) Estimation and assumption of fair values (Continued)

(d) Derivatives

The fair value of forward exchange contracts is either based on their listed market prices or by discounting the contractual forward price and deducting the current spot rate. The fair value of interest rate swaps is based on broker quotes. The quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar interest rate instrument at the measurement date.

(e) Financial guarantees

The fair value of financial guarantees issued is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or is otherwise estimated by reference to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that the lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made.

XV. CAPITAL MANAGEMENT

The Group's objectives of managing capital are to safeguard the group's ability of sustainable development in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Total capital of the group is shareholders' equity shown in the consolidated balance sheet. The group is not subject to external mandatory capital requirements, and use debt to asset ratio to monitor capital.

The Group monitors capital on the basis of Debt-Asset ratio. This ratio is calculated as total liabilities divided by total assets.

As in 2015 the Group manages capital status by controlling the Debt-Asset ratio not to exceed 70% (2014: not to exceed 70%). The Debt-Asset ratio as at 31 December 2015 and 2014 were as follows:

	31 December 2015	31 December 2014
Total Liabilities	71,268,295	60,494,066
Total Assets	106,763,171	87,776,181
Debt-Asset ratio	67%	69%

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1. Cash at bank and on hand

	31 December 2015	31 December 2014
Bank deposits	1,585,004	1,773,195
Other cash balances	12,442	2,454
	1,597,446	1,775,649
Including: cash abroad	489	8

As at 31 December 2015, restricted cash at bank and on hand of the Company amounted to RMB2,581,000 (31 December 2014: RMB2,437,000).

As on 31 December 2015, the fixed deposit of the Company in the Financial Company, a subsidiary of the Group, was RMB942,000,000 (31 December 2014: RMB942,000,000).

2. Financial assets at fair value through profit or loss

(1) Classification

	31 December 2015	31 December 2014
Investments in equity instrument held for trading	–	234,524

(2) As at 31 December 2015, There is no restriction on sale of financial assets at fair value through profit or loss.

3. Dividends receivable

	31 December 2015	31 December 2014
CIMC Hong Kong	3,217,336	3,029,507
SCIMC	592,706	592,706
SCIMCEL	648,092	648,092
QDCC	15,205	–
ZZCIMC	18,069	–
TLC	14,839	–
TJCMCLE	48,915	–
SCIMCEL	19,263	–
Mordern Logistic	29,146	–
CIMCWD	874	–
Total	4,604,445	4,270,305

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

4. Other receivables

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

	31 December 2015	31 December 2014
Amounts due from related parties	12,321,581	7,194,648
Deposits and margin	20,202	20,166
Others	25,899	7,440
Sub-total	12,367,682	7,222,254
Less: provision for bad debts	(4,580)	(4,580)
Total	12,363,102	7,217,674

(2) Other receivables are analysed by aging as follows:

	31 December 2015	31 December 2014
Aging		
Within 1 year (Inclusive)	9,778,433	3,836,672
1 to 2 years (Inclusive)	754,128	3,329,930
2 to 3 years (Inclusive)	1,779,478	29,206
Over 3 years	55,643	26,446
Sub-total	12,367,682	7,222,254
Less: provision for bad debts	(4,580)	(4,580)
Total	12,363,102	7,217,674

The ageing is calculated starting from the date the other receivable is recognized.

As at 31 December 2015 and 31 December 2014, the Company did not have overdue other receivables that were not impaired.

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

4. Other receivables (Continued)

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

	Note	31 December 2015				31 December 2014			
		Ending balance		Provision for doubtful debts		Ending balance		Provision for doubtful debts	
		Amount	% of total balance	Amount	% of total balance	Amount	% of total balance	Amount	% of total balance
Other receivables with amounts that are individually significant	(4)	12,316,835	99.59%	-	-	7,176,065	99.36%	-	-
Other receivables with amounts that are not individually significant	(5)	50,847	0.41%	4,580	9.01%	46,189	0.64%	4,580	9.92%
Total		12,367,682	100.00%	4,580	0.04%	7,222,254	100.00%	4,580	0.06%

There were no collaterals that the Company held for other receivables that were made impairment aforesaid.

(4) 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 2015 and 31 December 2014, the Company has no other receivables with amounts that are individually significant and that the related provision for doubtful debts is provided on the individual basis.

(5) Other receivables with amounts that are not individually significant but that the related provision for doubtful debts is provided on the individual basis.

As at 31 December 2015 and 31 December 2014, the Company has no other receivables with amounts that are not individually significant but that the related provision for bad debts is provided on the individual basis.

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

4. 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 2015			31 December 2014		
	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	31,452	–	–	31,999	–	–
1 to 2 years	13,983	–	–	8,935	–	–
2 to 3 years	157	–	–	675	–	–
3 to 4 years	675	–	–	–	–	–
4 to 5 years	–	–	–	2,000	2,000	100%
Over 5 years	4,580	4,580	100%	2,580	2,580	100%
Total	50,847	4,580	9.01%	46,189	4,580	9.92%

- (7) The recovery of provision in current year

There were no other receivables that the related provision for doubtful debts had been provided in full amount or in large proportion in previous years but are collected or reversed in full amount or in large proportion in current year (2014: Nil).

- (8) Other receivables that are written off in current year

There were no material other receivables that are written off in current year (2014: Nil).

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4. Other receivables (Continued)

(9) As at 31 December 2015, the five largest other receivables are analysed as follows:

	Nature	Amount	Aging	% of total balance	Provision for doubtful debts
CIMC Hong Kong	fund transfer, daily transfer	3,519,023	Within 1 year	28.45%	–
CIMC Tianyu	fund transfer	1,358,852	Within 1 year	10.99%	–
Hongxin Berg	fund transfer	1,015,345	Within 1 year	8.21%	–
C&C Trucks	fund transfer	903,942	Within 1 year, 1 to 2 years	7.31%	–
CIMCVL and its subsidiaries	fund transfer	602,746	Within 1 year	4.87%	–
		7,399,908		59.83%	–

The Company's five largest other receivables as at 31 December 2014 amounted to RMB3,330,368,000 and accounting for 46.12% of the total other receivables.

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

As at 31 December 2015, no amount due from shareholders holding more than 5% (including 5%) of the voting rights of the Company is included in the above balance of other receivables.

(11) Other receivables from related parties

	Relationship with the Company	Amount	% of total balance
Associates	Associates	34,204	0.28%
Subsidiaries	Subsidiaries	12,287,377	99.35%
Total		12,321,581	99.63%

(12) Other receivables derecognised due to transfer of financial assets

There were no other receivables derecognised due to transfer of financial assets of the Company in the current year (2014: Nil).

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

There were no securitised other receivables during this year (2014: Nil).

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5. Available-for-sale financial assets

	31 December 2015	31 December 2014
Measured at cost		
Available-for-sale equity instruments (1)	391,970	391,970
Less: provision for impairment	(3,065)	(3,065)
	388,905	388,905

(1) Related information analysis of available-for-sale financial assets is as follows:

Available-for-sale financial assets measured at cost:

	31 December 2014	Increase in current year	Decrease in current year	31 December 2015	Share holding (%)	Cash dividend declared
Available-for-sale equity instruments						
– Cost						
– BOCM Schroder Stolt Fund Management	8,125	–	–	8,125	5.00%	–
– China Railway United Logistics	380,780	–	–	380,780	10.00%	–
– Guangdong Samsung	1,365	–	–	1,365	0.09%	–
– Beihai Yinjian	1,700	–	–	1,700	1.01%	–
Sub-total	391,970	–	–	391,970		–
Less: provision for impairment	(3,065)	–	–	(3,065)		–
Total	388,905	–	–	388,905		–

(2) Available-for-sale financial assets measured at cost held by the group are mainly unlisted equity investments with no active marketprice and their reasonable fair value estimates has large variation range; the probability determining the fair value estimate can not be reasonably determined so their fair value cannot be reliably measured. The group has no disposal of the investment plan.

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)**6. Long-term equity investments**

(1) Long-term equity investments are analysed by categories as follows:

	31 December 2015	31 December 2014
Subsidiaries (2)	8,509,530	8,426,789
Associates (3)	–	–
Joint ventures (3)	–	3,655
Sub-total	8,509,530	8,430,444
Less: provision for impairment	–	–
Total	8,509,530	8,430,444

There is no restriction on sale of the long-term equity investments held by the Company.

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6. Long-term equity investments (Continued)

(2) Subsidiaries:

Investee	Investment cost	31 December 2014	Current year movement	31 December 2015	Share holding (%)	Voting rights (%)	Provision for impairment	Impairment provided in the current year	Cash dividend declared
Cost method – Investment in subsidiaries									
SCIMC	82,042	82,042	–	82,042	100.00%	100.00%	–	–	–
SCIMCEL	82,042	82,042	–	82,042	100.00%	100.00%	–	–	–
XHCIMC	36,500	36,500	–	36,500	70.00%	70.00%	–	–	1,527
TJICMC	77,704	77,704	–	77,704	100.00%	100.00%	–	–	–
TJICMCN	239,960	239,960	–	239,960	100.00%	100.00%	–	–	–
QDCC	60,225	60,225	–	60,225	100.00%	100.00%	–	–	15,205
DLCIMC	48,764	48,764	–	48,764	100.00%	100.00%	–	–	–
NBCIMC	24,711	24,711	–	24,711	100.00%	100.00%	–	–	–
SBWI	66,558	66,558	–	66,558	94.74%	94.74%	–	–	14,702
TCCIMC	131,654	131,654	–	131,654	100.00%	100.00%	–	–	–
ZZCIMC	100,597	100,597	–	100,597	100.00%	100.00%	–	–	18,069
SHYSLE	193,204	193,204	–	193,204	100.00%	100.00%	–	–	–
CQVL	39,499	39,499	–	39,499	100.00%	100.00%	–	–	–
SCRC	200,892	200,892	–	200,892	92.00%	92.00%	–	–	–
QDCRC	54,225	54,225	–	54,225	100.00%	100.00%	–	–	4,655
XHCIMCS	82,026	82,026	–	82,026	100.00%	100.00%	–	–	10,111
DLL	46,284	46,284	–	46,284	100.00%	100.00%	–	–	–
QDCSR	12,743	12,743	–	12,743	100.00%	100.00%	–	–	20,362
TJICMCLE	47,750	47,750	–	47,750	100.00%	100.00%	–	–	48,915
CIMC Hong Kong	1,690	1,690	–	1,690	100.00%	100.00%	–	–	–
CIMC USA Inc.	171,740	171,740	(171,740)	–	63.33%	63.33%	–	–	–

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6. Long-term equity investments (Continued)

(2) Subsidiaries: (Continued)

	Investment cost	31 December 2014	Current year movement	31 December 2015	Share holding (%)	Voting rights (%)	Provision for impairment	Impairment provided in the current year	Cash dividend declared
CIMC SD	162,686	162,686	-	162,686	100.00%	100.00%	-	-	-
HI	606,912	606,912	-	606,912	63.33%	63.33%	-	-	92,260
CIMC Tech	41,526	41,526	-	41,526	80.00%	80.00%	-	-	-
TCCRC	311,792	311,792	(311,792)	-	100.00%	100.00%	-	-	-
CIMCWD	108,544	108,544	(53,727)	54,817	100.00%	100.00%	-	-	874
CIMC Training	48,102	48,102	-	48,102	100.00%	100.00%	-	-	-
DLZH	182,136	182,136	-	182,136	100.00%	100.00%	-	-	-
MEA	111,703	111,703	-	111,703	100.00%	100.00%	-	-	-
CIMC Wood	3,472	3,472	-	3,472	100.00%	100.00%	-	-	-
TLC	126,689	126,689	-	126,689	100.00%	100.00%	-	-	14,839
South Logistics	71,717	71,717	-	71,717	100.00%	100.00%	-	-	19,263
SZ Investment Holding	72,401	72,401	-	72,401	100.00%	100.00%	-	-	-
Finance Company	482,590	482,590	-	482,590	100.00%	100.00%	-	-	20,327
CIMCVL	422,363	422,363	-	422,363	100.00%	100.00%	-	-	102,731
QDSV	26,912	26,912	-	26,912	79.59%	79.59%	-	-	2,418
SHOE	40,000	40,000	-	40,000	100.00%	100.00%	-	-	-
SZ Investment	60,000	60,000	80,000	140,000	100.00%	100.00%	-	-	-
SESKYC	90,000	90,000	-	90,000	100.00%	100.00%	-	-	-
DLCIMCS	69,806	69,806	-	69,806	100.00%	100.00%	-	-	-
Container Holding	1,979,000	1,979,000	540,000	2,519,000	100.00%	100.00%	-	-	-
COOP	205,022	205,022	-	205,022	100.00%	100.00%	-	-	-
Tianjin Kangde Logistics Equipment Co., Ltd	3,629	3,629	-	3,629	100.00%	100.00%	-	-	-
CIMC Mordern Logistic Development Co., Ltd.	500,000	500,000	-	500,000	100.00%	100.00%	-	-	29,146
C&C Trucks	898,977	898,977	-	898,977	66.24%	66.24%	-	-	-
Sub-total	8,426,789	8,426,789	82,741	8,509,530			-	-	415,404

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For the Year ended 31 December 2015
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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

6. Long-term equity investments (Continued)

(3) Long-term equity investments in associates and joint ventures are as follows:

Investee	Investment cost	31 December 2014	Increase of investment into subsidiaries	Decrease of investment	Adjusted net profit and loss after equity method	Adjusted other Comprehensive income	Cash dividend declared	Impairment provided in current year	31 December 2015	Provision for impairment
Equity method – Joint venture										
SCSCRC	9,000	3,655	-	(3,427)	(228)	-	-	-	-	-

Important financial Information for the Company's associates and joint ventures please refer to disclosure Note. VI.2.

7. Financial liabilities at fair value through profit or loss

	31 December 2015	31 December 2014
Non-current portion		
Derivative financial liabilities		
– Interest swap contract	14,256	21,307

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

8. Employee benefits payable

	31 December 2015	31 December 2014
Short-term wages	851,044	861,156
Defined contribution plans	492	492
	851,536	861,648

(1) Short-term wages

	31 December 2014	Increase in current year	Decrease in current year	31 December 2015
Wages and salaries, bonuses, allowances and subsidies	350,000	260,078	(115,047)	495,031
Profit-sharing bonus and Senior management bonus	511,156	23,857	(179,000)	356,013
Housing funds	–	3,221	(3,221)	–
Labor union funds and employee education funds	–	1,156	(1,156)	–
Staff welfare and others	–	2,394	(2,394)	–
Including: Medical insurance	–	1,980	(1,980)	–
Work injury insurance	–	147	(147)	–
Maternity insurance	–	267	(267)	–
Other short-term wages	–	1,225	(1,225)	–
Total	861,156	291,931	(302,043)	851,044

As at 31 December 2015, no defaulted payables are included in the balance of employee benefits payable.

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

8. Employee benefits payable (Continued)

(2) Defined contribution plans

	31 December 2014	Increase in current year	Decrease in current year	31 December 2015
Basic pensions	492	4,719	(4,719)	492
Unemployment insurance	–	101	(101)	–
	492	4,820	(4,820)	492

9. Taxes payable

	31 December 2015	31 December 2014
Business tax payable	8,809	3,609
Income tax payable	1,867	1,867
Withholding individual income tax	1,053	1,402
Others	1,091	433
Total	12,820	7,311

10. Interest payable

	31 December 2015	31 December 2014
Interest of long-term borrowings with periodic payments of interest and return of principal at maturity	1,937	1,955
Interest of corporate debentures	127,263	180,669
Total	129,200	182,624

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

11 Other payables

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

	31 December 2015	31 December 2014
Amounts due to subsidiaries	7,570,989	6,504,627
Advance received	–	30,000
Quality guarantees	508	434
Accruals	355	481
Others	11,393	1,677
Total	7,583,245	6,537,219

- (2) Significant other payables aged over one year

As at 31 December 2015, significant other payables aged over one year represented quality guarantee and deposits.

- (3) As at 31 December 2015, no amount due to shareholders who hold 5% or more of the voting rights of the Company is included in the balance of other payables.

- (4) Other payables to related parties:

Company name	Relationship with the Company	31 December 2015	31 December 2014
Total amount due to subsidiaries	Subsidiaries	7,570,989	6,504,627

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

12. Current portion of non-current liabilities

(1) The analysis of the Company's current portion of non-current liabilities by categories is as follows:

Item	Note	31 December 2015	31 December 2014
Current portion of long-term borrowings			
– Unsecured	(2)	61,000	576,000
– Current portion of debentures payables	(3)	3,998,881	2,000,000
Total		4,059,881	2,576,000

(2) As at 31 December 2015, there were no overdue long-term borrowings of which the durations are extended (31 December 2014: Nil).

(3) Refer to IV.35 for details of current portion of debentures payables

13. Long-term borrowings

(1) The analysis of the Company's long-term loans is as follows

	31 December 2015	31 December 2014
Bank borrowings		
– Unsecured	2,215,000	861,000

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

13. Long-term borrowings (Continued)

(1) The analysis of the Company's long-term loans is as follows (Continued)

As at 31 December 2015, the Company has no long-term borrowings not wholly repayable within five years.

As at 31 December 2015, there were no overdue long-term borrowings of which the durations are extended (31 December 2014: Nil).

As at 31 December 2015, the interest rate of long-term borrowing ranged from 1.20% to 4.35% (31 December 2014: 3.90% to 4.92%).

14. Debentures payable

	31 December 2014	Premium and discount amortization	the notes payable due within one year	31 December 2015
Medium-term notes	3,996,080	2,801	3,998,881	–

Related information is as follows:

Debenture name	Par value	Issuance date	Maturity	Issuance amount
Medium-term notes -11CIMC MTN1	4,000,000	23 May 2011	5 years	4,000,000

Information for the Company's debentures payable please refer to Note IV.38.

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

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 2015		31 December 2014	
	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)
Deferred tax assets:				
Employee benefits payable	851,536	212,884	861,648	215,412
Movement for fair value of financial assets at fair value through profit or loss	14,256	3,564	21,307	5,327
Sub-total	865,792	216,448	882,955	220,739
Offsetting amount	–	–	(81,347)	(20,337)
Offsetting balances	865,792	216,448	801,608	200,402
Including:				
Amount estimated to reverse within 1 year (inclusive)		216,448		200,402
Deferred tax liabilities:				
Movement for fair value of financial assets at fair value through profit or loss	–	–	(81,347)	(20,337)
Sub-total	–	–	(81,347)	(20,337)
Offsetting amount	–	–	81,347	20,337
Offsetting balances	–	–	–	–
Including:				
Amount estimated to reverse within 1 year (inclusive)		–		–

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

16. Capital surplus

	1 January 2015	Increase in current year	Decrease in current year	31 December 2015
Share premium	317,168	3,271,914	–	3,589,082
Other capital surplus:				
– Exchange reserve on foreign currency capital	687	–	–	687
– Donated non-cash assets reserve	87	–	–	87
– Equity settled share-based payment	380,338	6,999	(129,126)	258,211
Others	(568,492)	–	–	(568,492)
Total	129,788	3,278,913	(129,126)	3,279,575

	1 January 2014	Increase in current year	Decrease in current year	31 December 2014
Share premium	212,656	104,512	–	317,168
Other capital surplus:				
– Exchange reserve on foreign currency capital	687	–	–	687
– Donated non-cash assets reserve	87	–	–	87
– Equity settled share-based payment	319,788	60,550	–	380,338
Others	(568,492)	–	–	(568,492)
Total	(35,274)	165,062	–	129,788

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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 2015
	1 January 2015	Pre-tax amount incurred in current year	Post-tax amount attributable to the Company	
Item that may be reclassified subsequently to profit and loss:				
– Property revaluation reserve	43,754	–	–	43,754
	43,754	–	–	43,754

	Amount incurred in current year			31 December 2014
	1 January 2014	Pre-tax amount incurred in current year	Post-tax amount Attributable to the Company	
Item that may be reclassified subsequently to profit and loss:				
– Property revaluation reserve	43,754	–	–	43,754
	43,754	–	–	43,754

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

18. Undistributed profits

	2015	2014
Undistributed profits at the beginning of the year	1,594,245	1,308,078
Add: net profit attributable to the Company for the current year	771,715	1,011,322
Less: influence of issuance of perpetual bonds	(51,900)	–
Less: appropriation for surplus reserve	(77,172)	(5,118)
Ordinary share dividends payable	(833,748)	(720,037)
Undistributed profits at the end of the year	1,403,140	1,594,245

In accordance with the resolution at the shareholders' general meeting of the Company, dated on 8 June 2015, the Company paid a cash dividend in the amount of RMB0.31 per share to the ordinary shareholders on 22 July 2015 (2014: RMB0.27 per share), amounting to RMB833,748,000 calculated by issued shares (2014: RMB720,037,000).

19. Revenue and cost of sales

(1) Revenue and cost of sales

	2015	2014
Revenue from other operations	298,919	289,577
Cost of sales from other operations	40,576	–

(2) Revenue and cost of sales from other operations

	2015		2014	
	Revenue from other operations	Cost of sales from other operations	Revenue from other operations	Cost of sales from other operations
Commission	257,941	–	289,246	–
Others	40,978	40,576	331	–
Total	298,919	40,576	289,577	–

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

20. Profit/(loss) from changes in fair value

	2015	2014
Financial assets at fair value through profit or loss for the current period		
– Changes in fair value during the year	35,261	64,934
– Losses for derecognised financial assets at fair value through profit or loss	(35,261)	(6,352)
Financial liabilities at fair value through profit or loss for the current period		
– Changes in fair value during the year	7,051	5,558
Total	7,051	64,140

21. Investment income

(1) Investment income by projects

	2015	2014
Income from long-term equity investment under cost method	415,404	1,227,538
Loss from long-term equity investment under equity method	(228)	(53,515)
Income earned during the holding period of available-for-sale financial assets	–	5,000
Loss from disposal of financial assets at fair value through profit or loss for the current period	35,261	6,352
Income from disposal of long-term equity investment	250,433	–
Total	700,870	1,185,375

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

22. Non-operating income

(1) Non-operating income by categories:

	2015	2014
Government grants (2)	39,645	75,091
Others	787	4,791
Total	40,432	79,882

(2) Details of government grants

	2015	2014	Related to assets/income
Financial subsidies	39,645	75,091	Related to income

23. Income tax expenses

	2015	2014
Current income tax calculated based on tax law and related regulations	–	–
Change in deferred income tax	(16,046)	14,627
Total	(16,046)	14,627

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

	2015	2014
Total profit before tax	755,669	1,025,949
Income tax expenses calculated at applicable tax rates	188,917	256,487
Expenses not deductible for tax purposes	3,927	2,277
Tax effect of tax loss for which no deferred tax asset was recognised in this Reporting Period	–	50,619
Unrecognised tax losses in last Reporting Period	(105,039)	–
Income not subject to tax	(103,851)	(294,756)
Income tax expenses	(16,046)	14,627

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

24. Notes to the cash flow statement

(1) Supplementary information to the cash flow statement:

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

	2015	2014
Net profit	771,715	1,011,322
Depreciation of fixed assets	15,855	16,395
Amortisation of intangible assets	259	255
Amortisation of long-term prepaid expenses	5,050	3,175
Losses on disposal of fixed assets, intangible assets	62	48
Profit on change in fair value	(7,051)	(64,140)
Financial expenses	139,025	412,421
Investment income	(700,870)	(1,185,375)
Share-based payment expenses	6,999	60,550
Decrease/(Increase) in deferred tax assets	(16,046)	14,627
Decrease/(Increase) in operating receivables	(4,905,964)	2,388,199
Increase in operating payables	1,058,061	3,067,638
Net cash flows from operating activities	(3,632,905)	5,725,115

(b) Net change of cash and cash equivalents:

	2015	2014
Cash and cash equivalents at the end of the year	652,865	831,212
Less: cash and cash equivalents at the beginning of the year	831,212	386,732
Net change of cash and cash equivalents	(178,347)	444,480

(2) Composition of cash and cash equivalents

	31 December 2015	31 December 2014
I. Cash		
Including: Cash at bank that can be liquidated at any time on demand	643,004	831,194
Other monetary fund that can be readily drawn on demand	9,861	18
II. Cash and cash equivalents at the end of the year that can be liquidated at any time on demand	652,865	831,212

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

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Supplementary Information

1. STATEMENT OF NON-RECURRING PROFIT OR LOSS

	2015	2014
Loss on disposal of non-current assets	(17,588)	(33,210)
Government grants recognised in profit or loss for the current period	298,893	294,996
Remeasurement of the fair value of equity interest in the acquiree held prior to the acquisition date recognised in investment income	–	41,863
Gains/(losses) from changes in fair value arising from holding financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss, and investment gains arising from disposal of financial assets at fair value through profit or loss, financial liabilities at fair value through profit or loss and available-for-sale financial assets, except for the effective hedging activities related to the Group's ordinary activities	56,964	(127,662)
Net gains/(losses) from disposal of subsidiaries	3,333	(8,278)
Reversal of accounts receivable provided for bad debts on an individual basis	12,461	80,784
Other non-operating income and expenses other than the above items	(18,689)	10,756
Other non recurring gains and loss items	18,330	155,860
Effect of income tax	(84,562)	(38,082)
Effect of minority interests (after tax)	(16,359)	(41,907)
Total	252,783	335,120

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

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

Under the requirements in Explanatory announcement No. 1 on information disclosure by companies offering securities to the public – non-recurring profit or loss [2008] from CSRC, non-recurring profit or loss refer to those arises from transactions and events that are not directly relevant to ordinary activities, or that are relevant to ordinary activities, but are extraordinary and not expected to recur frequently that would have an influence on users of financial statements making economic decisions on the financial performance and profitability of an enterprise.

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2. RETURN ON NET ASSETS AND EARNINGS PER SHARE

In accordance with Interpretive Pronouncement on the Preparation of Information Disclosures of Companies Issuing Public Shares No. 9 – Earnings per share and return on net assets (2010 revised) and relevant requirements of accounting standard, the calculation of earnings per share and return on net assets of the Company is listed as follows:

	Weighted average return on net assets (%)		Earnings per share			
			Basic earnings per share		Diluted earnings per share	
	2015	2014	2015	2014	2015	2014
Net profit attributable to ordinary shareholders of the Company	8%	12%	0.72	0.93	0.71	0.92
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit or loss	7%	10%	0.62	0.80	0.62	0.80

Chapter XIV

Confirmation from the Directors
and Senior Management

According to relevant provisions and requirements of the PRC Securities Law and Measures for Information Disclosure of Companies Offering Shares to the Public promulgated by the CSRC, as the Director and senior management of the Company, We have carefully reviewed the annual report for 2015 and concluded that this annual report truly and objectively represents the business performance of the Company, it contains no false representations, misleading statements or material omissions and its preparing and auditing procedures comply with the requirements of the CSRC and other relevant regulatory authorities.

Chapter XV

Documents Available for Inspection

The following documents will be available for inspection at the headquarter of the Company in Shenzhen upon request by the relevant regulatory authorities and shareholders in accordance with Chinese laws and regulations or the Articles of Association:

1. The annual report signed by the chairman.
2. The financial statements under the hand and seal of the legal representative, chief financial officer, person-in-charge of accounting institution (accounting officer).
3. The original of the audit report under the seal of Accountants Firms and under the hand and seal of Certified Public Accountants.
4. The original copies of the documents and announcements of the Company published in the newspaper stipulated by the CSRC during the Reporting Period.
5. Copies of the all Chinese and English announcements of the Company published on the websites of Hong Kong Stock Exchange and the Company during the Reporting Period.
6. The Articles of Association.

April 2016

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