CIMC

TRANSFORMATION

UPGRADING

转型升级

NEW

创新

ANNUAL REPORT 2017

A S a e S c. C de: 000039 I H S a e S c. C de: 2039

TRANSFORMATION
UPGRADING
转型升级

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The Board of Directors (the "Board") of China Resources Cement Holdings Limited (the "Company") is pleased to present the annual report and the audited consolidated financial statements of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2017.

The 2017 annual report (the "Report") has been prepared in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Companies Ordinance. The Directors have reviewed the Report and are of the opinion that it complies with the relevant requirements.

The financial information of the Group for the year ended 31 December 2017 contained in the Report has been audited by the Company's auditor, KPMG, in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. The Directors have reviewed the audited financial statements of the Group for the year ended 31 December 2017, and are of the opinion that the financial statements present fairly the financial position of the Group as at 31 December 2017 and its profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants.

The Board has recommended the payment of a final dividend of RMB2.70 (after tax) per 10 shares for the year ended 31 December 2017 to shareholders whose names appear on the register of members of the Company on Friday, 25 May 2018. The proposed final dividend is subject to the approval of the shareholders at the annual general meeting of the Company for the year ended 31 December 2017 to be held on Thursday, 17 May 2018. The proposed final dividend will be paid on or about Wednesday, 6 June 2018.

Mr. Wang Hong, Executive Director and Chief Executive Officer of the Company, Mr. Ma Bing, Chief Executive Officer of the Company, and Mr. Zeng Hao, General Manager of the Company, will be present at the annual general meeting of the Company to answer questions from shareholders.

The Report will be published on the website of the Company (www.crcement.com) and the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk).

F e e f Re e ec e e e e f g a e ea g e be :

Items	Definitions
A S a e( ) (RMB-de a ed O d a S a e( ))	d e c d a a e( ) a a e f RMB1.00 eac e a e ca a f e C a , c a e ed e S e e S c E c a ge a d aded Re b.
A S a e( ) S a e O I ce e Sc e e	a e ce e c e e f C al e a a Ma e C a e (G) C ., L d. c de ed a d a , ed a e e a d a ge e a ee g f e C a 17 Se e be 2010.
A ce f A ca	T e A ce f C al e a a Ma e C a e (G) C ., L d. .
B a d	e B a d f e C a .
C&C T c.	C&C T c. C ., L d. (集瑞聯合重工有限公司), a c a c , a ed e PRC ed ab 2009 a d a - - ed b da f e C a .
CASBE	Acc g S a da d f B e E e , e Ba c S a da d a d 38 S ec fc Acc g S a da d ed b e M , f F a ce f e PRC, a d a ca g da ce a d e , e a CASBE a d e , e a ed , eg a .
CFE	C a F e Safe E e , e G L ed, a c a c , a ed e Ca a l a d ed ab , e a e f c a e ed e a b a d f e H g K g S c. E c a ge (S c. C de: 445).
CIMC , C a	C al e a a Ma e C a e (G) C ., L d. (中國國際海運集裝箱(集團)股份有限公司), a c. c a c , a ed e PRC ed ab , e A a e f c a e ed e S e e S c. E c a ge a d e H S a e f c a e ed e a b a d f e H g K g S c. E c a ge.
CIMC E , c	CIMC E , c H d g L ed (中集安瑞科控股有限公司), a c a c , a ed e Ca a l a d ed ab 2004, e a e f c a e ed e a b a d f e H g K g S c. E c a ge (H g K g c. c de: 3899) a d a - - ed b da f e C a .
CIMC F a ce C a	CIMC F a ce C ., L d., a c a c , a ed e PRC 2010 a d a - ed b da f e C a .
CIMC F a ca Lea g C a	CIMC F a ca Lea g C ., L d., a c a c , a ed e PRC 2007 a d a - ed b da f e C a .

CIMC HK	C a l e a a Ma e C a e (H g K g) L ed (中國國際海運集裝箱(香港)有限公司), a c a c a ed H g K g 1992 a d a - ed b da f e C a .
CIMC I e e	S e e CIMC I e e C ., L d * (深圳市中集投資有限公司), a c a c a ed e PRC 2011 a d a - ed b da f e C a .
CIMC M d a	CIMC M d a B d g I e e C a L ed (中集模組化建築投資有限公司), a c a c a ed e PRC 2013 a d a - ed b da f e C a .
CIMC Off e	CIMC Off e H d g L ed, a c a c a ed H g K g 2009, a d a - ed b da f e C a .
CIMC Off e E g ee g	CIMC Off e E g ee g C ., L d., a c a c a ed e PRC 2016 a d a - ed b da f e C a .
CIMC Q a a Lea g	CIMC Q a a F a c a Lea g (S e e) C ., L d., a c a c a ed e PRC 2014 a d a - ed b da f e C a .
CIMC Raff e	

Shareholder(s)	The holder(s) of Shares and, where the holder is a Recognised Clearing House, the Recognised Clearing House Nominee.
Shenzhen Listing Rules	The Rules Governing the Listing of Securities on the Shenzhen Stock Exchange.
Shenzhen Stock Exchange	The Shenzhen Stock Exchange.
Share(s)	The ordinary share(s) of the Company.
Shareholders' Committee	The shareholders' committee of the Company.
SESKYC	Shenzhen Skyworth Capital Co., Ltd. (深圳天億投資有限公司), a company established in the PRC on 2011 and a wholly-owned subsidiary of the Company.
US$ or U.S. dollars	United States dollars, the lawful currency of the United States of America.
Zegen	Abeking Zegen GmbH, a company established in Germany and a wholly-owned subsidiary of the Company.
%	percentage.

ONE M de	O a Ne e E d g ea a age e e f eG .
QHSE	A a age e e a g de a d c a ga a e ec f Q a , Hea , Safe a d E , e a a ec .
Se - b e beD gPaf	A e - b e bed g af a b e g: e e a f e c e e . g dec a d e e a c e e , e a c ec ed b c . W e e a e e a e b e ged e a e . A e - b e be af ge e a ed dee ea a e de a g gf 600-3,600 . T e af ca e ad a c g e f g.
TEU	T e - f e ae a a a da d (ac a e a e g f 20 fee a e g f 8 fee a d 6 c e a da d f 8 fee), be g ed ea e e e fac a e .

C a e l

T e C a a c , a ed S e e , G a gd g P , l ce, e PRC de, e PRC C a La 14 Ja a 1980 a d a a ed a C al e a a Ma e C a e C ., L d. (中國國際海運集裝箱股份有限公司) c , a . Af e be g e , c , ed a a c ed c a Dece be 1992, a d b c ffe ed A a e a d B a e c e e ed e S e e S c E c a ge 1994, e C a c a ged a e C a l e a a Ma e C a e (G) C ., L d. (中國國際海運集裝箱 (集團) 股份有限公司) 1995. T e A a e f e C a e e ed e S e e S c E c a ge 8 A , 1994 a d H a e e e ed b , d c e a b a d f e H g K g S c E c a ge 19 Dece be 2012. T e C a e f , e e , e C a B a e c l e ed H a e ed e a b a d f e H g K g S c E c a ge.

T e G a , d ead g e e a d , l de e g c a d e e g d , e a d , c a e gaged e a fac , e f c a e , , ad , a , a l e ce , e e g , c e ca a d d f d e e , ff , e e g ee g e e a da , fac e e a e a e , l f , ee a e ce , c d g e de g a d a fac , e f e a a a da dd c a e , , eefe c a e , , eg a ec a c a e , a . c a e , , ad a . , c , a , a ga e e a d a ca . , , ad , a , a l e ce , ea , c , ac . d g a f , , e - b e bed g a f , , ec a l e e , a e ge b a d g b dge , a , ca g a d g e , g d e ce ecfc , ea da ac a g e a d e , l f , ee a e ce . I add , e G a e gaged g c e ce , ea e a e de e e , f ce a d e b e e . T , g b e e a a d ec g de e e , e a ef , ed a d , c e f c g e e a d , l ded f , e g c a d e e g d , e .

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Lega Na e C e e:	中國國際海運集裝箱 (集團) 股份有限公司
Abb e a ed C e e Na e:	中集集團
C a Na e E g :	C al e a a Ma e C a e (G) C ., L d.
Abb e a ed E g Na e:	CIMC
Lega Re , e e a l e:	Wa g H g
A , ed Re , e e a l e :	Ma B a g, Y
Reg e ed Add e a d Add e f Head Off ce:	8 F , , CIMC R&D Ce , e, 2 Ga g a A e e, S e , Na a D , c , S e e , G a gd g, PRC
P a C de:	518067
P , c a P ace f B e H g K g:	3101-2 I f P a a, 199 De V e R ad Ce , a, H g K g
C a Web e:	:// .c c.c
E a Add e :	a e de @c c.c

C a e l

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Sec e a e B a d, C a Sec e a :	[illegible]
C ac Add e :	CIMC R&D Ce e, 2 Ga g a A e e, S e , Na a D c, S e e , G a gd g, PRC (P a c de: 518067)
C ac Te e e:	(86 755)2669 1130
Fac e:	(86 755)2682 6579
E a Add e :	a e de @c c.c
Re e a e f Sec e Affa :	Wa g X
C ac Add e :	CIMC R&D Ce e, 2 Ga g a A e e, S e , Na a D c, S e e , G a gd g, PRC (P a c de: 518067)
C ac Te e e:	(86 755) 2680 2706
Fac e:	(86 755) 2682 6579
E a Add e :	a e de @c c.c
A a C a Sec e a :	S e Ya g : [illegible]

Corporate Information

Stock Exchange on which the Shares are listed:	The Stock Exchange of Hong Kong Limited
Abbreviated Stock Name of A Shares:	CIMC
Stock Code:	000039
Stock Exchange on which the H Shares are listed:	The Stock Exchange of Hong Kong Limited
Abbreviated Stock Name of H Shares:	CIMC, ZJHD (Note)
Stock Code:	02039, 299901 (Note)

Note: The abbreviated stock name and stock code mentioned above are applicable to the H Shares of the Company listed on the Stock Exchange of Hong Kong Limited.

Contact Information

H Share Registrar:	Computershare Hong Kong Investor Services Limited Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
H Share Agent:	Bank of China (Hong Kong) Trustee Limited 21-22/F, Bank of China Tower, 1 Garden Road, Central, Hong Kong
PRC Agent:	China Securities Depository and Clearing Corporation Limited, Shenzhen Branch 6/F, NCI Tower, A12 Jianguomenwai Avenue, Beijing, PRC
Auditor:	PricewaterhouseCoopers Zhong Tian LLP 11th Floor, PricewaterhouseCoopers Center, 202 Hubin Road, Huangpu District, Shanghai, PRC
The Certified Public Accountant engaged by the Company:	Zhong Wei Ren Cai Zi [2017] No. 0106

C a e ll

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Re ec e ad e f e acc g da a f ea b e C a d e
c a ge facc g ce a d c ec facc ge

☐ Ye ✓ N

U : RMB a d

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Unit: RMB'000

Items	For the year ended 31 December 2017	2016	(Change) from the previous year	2015 (Restated)	2014	2013
Revenue	76,299,930	51,111,652	49.28%	58,685,804	70,070,855	57,874,411
Operating profit	4,171,685	1,202,884	246.81%	3,039,854	3,297,874	3,370,835
Profit before income tax expense	4,409,241	1,702,051	159.05%	3,302,470	3,570,416	3,562,720
Income tax expense	1,250,826	967,068	29.34%	951,825	536,488	928,222
Profit for the year	3,158,415	734,983	329.73%	2,350,645	3,033,928	2,634,498
Including:						
Net profit attributable to shareholders of the Company	2,509,242	539,660	364.97%	2,026,613	2,477,802	2,180,321
Profit attributable to non-controlling shareholders	649,173	195,323	232.36%	324,032	556,126	454,177
Net profit attributable to shareholders of the Company after deducting non-recurring gains or losses	1,367,068	511,420	167.31%	1,751,645	2,142,682	1,343,090

Unit: RMB'000

Cash flow statement

Unit: RMB Thousand

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

Key financial data	2017	2016	Change from the previous year (%)	2015 (Restated)	2014	2013
Basic earnings per share attributable to ordinary shareholders of the Company (RMB/share)	0.81	0.14	478.57%	0.74	0.93	0.82
Diluted earnings per share attributable to ordinary shareholders of the Company (RMB/share)	0.81	0.14				0.82

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U : RMB a d

	2017			
	The first quarter	The second quarter	The third quarter	The fourth quarter
Re e e	14,675,987	18,711,165	20,575,554	22,337,224
Ne f a b abe Sa e de a d e e de f eC a	509,681	287,217	512,482	1,199,862
Ne f a b abe Sa e de a d e e de f eC a af e ded c g ed g f	452,699	412,384	519,601	(17,616)
Ne ca f f ea gac e	95,458	(763,674)	4,300,859	642,736

Sg fca dffe e ce e be ee e ab e f a ca dca e a d e ea ed f a ca dca e a e e a d e -a a e d c ed b eC a

☐ Ye ✓ N

Consolidated Statement of Cash Flows

Unit: RMB Thousand

Item	2017	2016 (Restated)	2015
Gain/(loss) before income tax	15,635	264,552	(17,588)
Gain on disposal of investments	472,626	497,336	298,893
Gain from change in fair value of financial assets at fair value through profit or loss, and financial liabilities at fair value through profit or loss, and gain 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, and effective portion of cash flow hedging instruments	125,295	399,704	122,659
Net gain from disposal of available-for-sale financial assets	458,808	361,353	3,333
Reversal of accounts receivable previously provided for bad debt and bad debt written off	–		12,461
Other non-cash income and expenses	335,255	139,625	(18,689)
Other items affecting profit	143,549	(1,362,915)	18,330
Effect of exchange rate	(326,880)	(422,180)	(101,996)
Effect of tax and surcharges	(82,114)	150,765	(42,435)
Total	1,142,174	28,240	274,968

Reasons for the Company recognizing profit or loss from changes in fair value of financial assets and financial liabilities at fair value through profit or loss, and disposal of financial assets and financial liabilities at fair value through profit or loss, financial liabilities at fair value through profit or loss and available-for-sale financial assets, and effective portion of cash flow hedging instruments in Note V.1 If a Decision Cannot Be Made Temporarily or Is Unknown, Explain the Reasons (Profit or Loss from Changes in Fair Value of Financial Assets and Financial Liabilities at Fair Value through Profit or Loss in Note V.1) and Amount Recognized in Investment Income from Disposal of Financial Assets and Financial Liabilities at Fair Value through Profit or Loss, Financial Liabilities at Fair Value through Profit or Loss and Available-for-sale Financial Assets in Note V.1.

☐ Applicable ✓ Not Applicable

The Company shall disclose the reasons for recognizing profit or loss from changes in fair value of financial assets and financial liabilities at fair value through profit or loss, and disposal of financial assets and financial liabilities at fair value through profit or loss, financial liabilities at fair value through profit or loss and available-for-sale financial assets in Note V.1 and the reasons for not disclosing.

U : RMB a d

	Balance at beginning of the Year	Profit or loss arising from changes in fair value for the Year	Cumulative changes in fair value recognised in equity	Impairment provisions accrued for the Year	Balance at end of the Year
F a c a a e :					
1. F a c a a e a fa l a e g f e Re g Pe d (e c d g de l a l e f a c a a e)	138,072	56,175			183,303
2. De l a l e f a c a a e	326,969	20,202			328,751
3. Hedg g e	1,306		3,734		1,360
4. A a ab e-f - a e f a c a a e	33,244		(2,776)		440,656
S b- a f f a c a a e	499,591	76,377	958		954,070
I e e e	1,752,608	5,344	446,976		1,679,189
T a	2,252,199	81,721	447,934		2,633,259
F a c a ab e	(203,041)	29,595			(40,832)
T a	2,049,158	111,316	447,934		2,592,427

1. D ffe ce e f a d e a e ed de l e a a Acc g S a da d a d CASBE

☐ A cab e ✓ N A cab e

2. D ffe ce e f a d e a e ed de f eg acc g a da d a d CASBE

☐ A cab e ✓ N A cab e

3. Rea f d ffe ce acc g da a de d e ca d f eg acc g a da d

☐ A cab e ✓ N A cab e

C a e III

Dear Shareholders,
I am pleased to submit to you the annual report of the Group for the year ended 31 December 2017, and would like to express my sincere gratitude for your long-term support on behalf of the Board.

I 2017, g ba ec ,ed a d , e a a ,ade a d d ,a , d c ,e ed g a c ea e f 3.8%. T e ec c ,e d d e e d ec e c a e U ed S a e , Ja a , e c., a ,e a ,e, a d e ec a ,e e g a . e a d d e g ec e , e ead . D , g e ea , e a a ,ce a ce ded af e ,e a d , e ead e ,d a e, a d e ,ce f , e a , c d e a ,eb ded. I 2017, C ac ed dee e - de , c ,a ,ef , , e g e ed f a c a ,e g a a d e a a ec c ed ab e ,e a d e a ed , ac e g a e a a g a GDP g ,a e f 6.9%.

Be ef g f e ,ec e e g ba a d d e c ec , e G a b e e g e ac e ed fa ,abe ,e d , g e Re , g Pe d, e, a a ,e e a d , f c ea g a c a ed e a e e d f e ,e ea. T e G e ed ,a e g c g f Ma fac , g + Se ce + F a ce , a d ,e ed ca ,e e , e b g b a e c a g e b ea f g , a d a c g ,a e g c g ade a d b e ,a f a , ad e e , d c ca ac a ca , a ec g e a d b e de a d a g e e f e a a c a ce , . T e G e a ded c e ,a g e e g g d , e a d a b e , ea ed a g a abe , d c a d e a , ac e ed f t e a g ,e , e g , e f , g c , a e ca ,e b e. De a a e g e a f :

MAIN
SEGMENTS
主要業務板塊

C a e, III

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I 2017, e G ' ,e e ed RMB76.300 b (2016: RMB51.112 b), e ,e e g a ea- - ea c ea e f 49.28%; e e , f a , b abe S a e de a d e e de f e C a ed RMB2.509 b (2016: RMB0.540 b), ,e ,e e g a ea- - ea c ea e f 364.97%; a d e ba c ea g e, a e a ed RMB0.81 (2016: RMB0.14), ,e ,e e g a ea- - ea c ea e f 478.57%.

I 2017, e face f e ,ec e ,e d e g ba a d d e c ec , e , c a b e eg e f e G e ed , e , a e a d ade g f ca b ea , g c a ea a b e eg a , , c , a ad e , ec g ca g ade, g ba a e e e , a a d , d c f e e, a f d :

D , g e Re , g Pe d, be ef g f e c ed ,ec e ,e d g ba ec a d e e, ba e 2016, e G ' c a e, a fac , g b e ad a g f ca ea- , Raea œd f a , b a ea 8.1 ca b, ec a, e a e5.2(c 1 a e , 37.1)]1J0.003 Tc 19-1.333 TD[(g ee, ad .5(f 36 -6(-)5(d)0 e ba 0) (- 1( )]TJ0.003 Tc11 -1.333 TD[(a e, c a ge, -6(-)5(d) RM

A d e, a a RMe a ce f a , e g Pc e a l g

I 2017, a e a a ce ec e ed, a d g a a ga a a e a e a e ace ega ed a ac , e a e de a d f a a ga age a d a e e gad a ec e ed. D g e Re g Pe d, e c a b e f e e g, c e ca a d df de e b e f eG e a ed ba ca abe. O 15 A g 2017, CIMC E c, a e e c g e c e ed ea f e e e e e fS Pac fc Off e & E g ee g C ., L d. (SOE) a d c a ged a e Na g CIMC S Pac fc Off e & E g ee g C ., L d. (南通中集太平洋海洋工程有限公司). N SOE a g ba eade f e a - a d ed - ed ef ed ga e a e eg e , a a ee e d e c ff e e g ee g a d c c d , a g g eg ba a e a e. T ea f SOE f f e e a d e g ee g e ce ca ab e f CIMC E c' e e a a ga d c a a da acc a egc de e b a d a da ea, e eb c e g a eg a ed a d a d a e a e c a f a a ga f ca , efac , age a d a e .

I 2017, e g ba ff e e g ee g a e e e a ed a e e f eb d ce , e a e de a d f ff e e g ee g e e a e ea . T e G ' ff e e g ee g b e f d ed a egc d c a d ac e e ed a e e a , e e aged ad a age de g a d b d af , e e d g b e a a d e ca e ff e e g ee g e e c . l e c f e c c a dde e f af , B e W a e W a e a 6d a ee 6 . e 6 6 0.5E &E 0.5E 0.5E & E & 63 & E

A A A

I 2017, e G c ed ad a ce b e a f a ad g ade a d a f a f a age e de. W Ma fac g + Se ce + F a ce a a eg c g, e G a f ed a d c e a g e a a ea . e. g c a d e e g , a d de e ed e a b e ec e ab ed d - ead g ad a age a d g d de e e ec e e g a d de g e e e g g d e c e e e e , ad a age. I e ed e c e a d fe a a age e ea ab e de a e e a eg c a age e a d b e e a f a b e ec . D g e Re g Pe d, a be f g ade e e ade a fac g e a . F e a e, 龍騰計劃 a e e ed e a a e c a e, b e eg e . CIMC Ve c e (G) a ed e c c f e de a e Z ad a Pa a d Ya g Pa e e a e be d ced b a g d a ed, d g a ed, a a ed a d a a fac g. A a ed g c e a c ed be ceeded e a b e eg e . Re d g e ce a g e e ca f a e e e e a d a , e G , a g acc e g , a d ca ed 雙創項目, e ed a d ceeded b d a f f a e e e e a d a b e e d f 2017. T e a de f a d de e a g f e b e e a e a de e a d f e a g f e e e e e . I e e a a g f e a f a a d g ade f CIMC b e g b g e de a d e b e e a a d ec e G ' t e de e e be de c b g g a g f e G . A e a e e, f5TDB(fa e e a)17.Zeadet a d e de ed g

21 a e e ade . F f e e e g

[illegible]

In 2017, the Company continued to improve its corporate governance, strictly complied with the requirements of laws and regulations such as the Company Law, the Securities Law, the Code of Corporate Governance for Listed Companies and the Guidelines for Establishment of Internal Control of Enterprises issued by the CSRC, the Shenzhen Stock Exchange, the Shanghai Stock Exchange and the Hong Kong Stock Exchange. Besides, the Company actively responded to the call of the government to promote the establishment of modern enterprise system with Chinese characteristics, and effectively improved the corporate governance. In November 2017, the Company passed the certification of ISO 37001: Anti-bribery Management System, and the Company and CIMC Tianda, its subsidiary, also passed the certification of ISO 37001: Anti-bribery Management System.

[illegible]

In 2017, the Company actively carried out the risk management and internal control work, and continuously improved the risk management and internal control system. The Company established a sound risk management and internal control organization system, and effectively carried out the risk management and internal control work. The Company established HSE management system, and carried out the risk assessment and control work in accordance with the Enterprise Risk Management Framework issued by COSO. The Company continuously improved the risk management and internal control system, and effectively controlled various risks in the production and operation activities. The Company's internal control system covered the Company and all its subsidiaries, and all the material business and management activities.

[illegible]

Based on the Company's 2017 annual general meeting of shareholders, the Company's profit distribution plan is as follows: a cash dividend of RMB0.27 (tax inclusive) per share will be distributed to all shareholders on the basis of the total number of shares on the record date for the distribution of dividends in 2017. The proposed profit distribution plan in 2017 will be submitted to the Company's Shareholders' General Meeting for consideration.

[illegible]

Looking ahead to 2018, the global economic growth is expected to remain strong, but the U.S. Dollar interest rate increase and the reduction of the balance sheet of the Federal Reserve may have a negative impact on the global economic growth. The Chinese economy will maintain a stable growth, but the downward pressure on economic growth will increase. The Company will continue to adhere to the development strategy of "Focusing on Main Business, Innovation and Internationalization", and will continue to improve the quality and efficiency of its development. The Company will also continue to improve the risk management and internal control system, and will strengthen the risk management and internal control work in order to effectively control various risks in the production and operation activities.

CONTRACT MANUFACTURING

TURING

BUSINESS

C a e IV

A

T e G c a e gaged e a fac e f de a a e e e g c e ca a d d f d e e , ff e e g ee g e a d a , fac e a e a e f e a e ce , c d g e de g , a fac e a d e ce f e a a a da d c a e , eefe c a e , eg a ec a c a e , a c a e , de c a e f b a d , ad a c , a a ga e e a d a c a , ad a a e c

Unit: RMB

	2017	2016	Percentage change
Revenue	76,299,930	51,111,652	49.28%
Operating profit	4,171,685	1,202,884	246.81%
Net profit attributable to shareholders of the Company	2,509,242	539,660	364.97%
Net cash flows from operating activities	4,275,379	2,341,619	82.58%
Net (decrease)/increase in cash and cash equivalents	(895,810)	3,079,544	(129.09%)

2.

The Group's main business activities include container leasing and container manufacturing. The Group's container leasing business mainly includes the leasing of standard dry cargo containers, special containers and container-related services. Details of the Group's principal activities are set out in Note 1 to the financial statements.

In 2017, the global economy showed a moderate recovery. The Group actively responded to the changes in the market environment, continued to optimize the structure of container assets, and strengthened the management of container leasing business. The Group's container leasing business maintained a stable growth. Measured by the number of containers owned, the Group's container leasing business ranked first in the world. Affected by the asset-based policy implemented since 2017, the number of containers sold by the Group increased significantly as compared with the same period of last year, which affected the growth of the Group's container leasing business to a certain extent. The Group's container manufacturing business maintained a steady growth as compared with the same period of last year, and the profit before tax increased as compared with 2016, mainly because the container manufacturing business benefited from the increase in the selling price of containers and the effective control of production costs during 2017.

In 2017, the Group continued to implement the Law of the People's Republic of China on Prevention and Control of Atmospheric Pollution (《大氣污染防治法》), and actively carried out the transformation and upgrading of container manufacturing business. The Group's container manufacturing business mainly includes the manufacturing of standard dry cargo containers, special containers and container-related services. During the reporting period, the Group's container manufacturing business continued to implement asset-based strategy, and the production of asset-based containers increased significantly as compared with the same period of last year. During the reporting period, the Group's container manufacturing business continued to implement the Safety Convention for Containers (《集裝箱行業自律公約》), and actively carried out asset-based container manufacturing business

C a e IV

D g e Re g Pe d, affec ed b e c ed ec e g ba ade a d e e ba e 2016,
e G ' c a e a fac g b e ad a g fca ea- - ea c ea e e be f de .
Re e ea d e f a e b g fca g , a g c , e acc a ed a e e f
d a d c a e eac ed 1,308,900 TEU (2016: 587,300 TEU), e e e g a ea- - ea c ea e
f 122.87%; e acc a ed a e e f eefe c a e eac ed 109,100 TEU (2016: 79,700 TEU),
e e e g a ea- - ea c ea e f 36.(3)00.6( )6e6( )6%0.5(.(7.5(36.8(T18.54)0.5(e)0.5(ac0.5( )0.5( )0.5(- 0.5(a)0.5
R2016: eae g a ea a f 13(230%.]TJ0.005 T 0 -12.667 D[(RI 20167,36( ) e c e a fac g) e f 1 e G
af

7 ac a e, [illegible] T18.(e a e]TJ0.008 1Tc 0.086 Tcd0 [(eg '55487 Da a a e d e 36.9(Y)6487 a g a e de g)18797 a 2 a)18797 a f
e G ede de g f 1 e G
e G cd e C e l d]7.1(A c a e ge e f e 18.1(eage f 1 e G ed)75.21- a
Reageaee e ea c 111120 1 g 20167,36(1(S e CIMC(2a)) - ed b d, df 1 e GC a)G
ee G e cac f e G d 225548( ) f a a e d, add e G a de a e ca ed b G 18795e e ae f a

In 2017, e g ba a fac , g d , a d ade e ed g . T e a e de a df e -a e e U.S. g dec ed. T e ec f e E , ea a e a bee g ad a ec e g, b e e a de a df e -a e d ed d e e ac f B e . T e e g g a e a g fca ec c ec e . T e S ea A a a e g g ead e e eg a e abe. T e C e e a e be ef ed f e e e ded ac f e e e a f e GB1589 c , ga ed b e ce a g e e 2016 a d e c ed d e c , ge g e a ce aga e ad g, a d, ad a a e ce , d c e e , g de a d. Mea e, ed e c f a c e , ec a e c e ced c c , c b ed e g f de a df e ge ba c c .

D g e Re g Pe d, e G ' ad a a e ce b e c ed ac e g a a ec . T e a a acc a ed a e a 163,000 (e) (2016: 123,100 (e)), e e e g a ea- - ea c ea e f 32.41%. T e a e e e e a RMB19.521 b (2016: RMB14.695 b), e e e g a ea- - ea c ea e f 32.84%, a d ac e ed a e f f RMB1,018 (2016: RMB767), e e e g a ea- - ea c ea e f 32.78%. T e c ea e e e e ea d e f a d e e C e e a e' e b d e e f a ce, e E , ea a d N , A e ca a e e f g be e a e ec ed a d e ec e f e eg a a e e e g g a e .

D g e Re g Pe d, CIMC Ve ce (G) c ed e e g ba b e a , e g e g b e a d e g b e g , e . A d e e a ac e ec d f d c de a d dec e e E , ea a e, e eg e a aged e a ce f f e g b e a d e c, a ec a ge a d g ade g ec g ca ac a ce e , c a da df da f, e a abe de e e f eg ba e -a e e a .

C a e IV

T e G ' b d a CIMC E c c a e gaged e de g , d e e , a fac , g e g ee g a d ae f a a , a , age a d ce ge e de ed ee ec , , a e e e g , c e ca a d df de e , a e a f e a ec ca a d a e a ce e ce . I e e g a d c e ca e e , d c a d e ce a e ed g C a a d a e e ed S ea A a, E , e a d N , a d S A e ca ; a d f , d c ba e E , e, d f d e e , d c a d e ce a e ffe ed d de. CIMC E c a e ab ed a d e a d ca e fea , g e d' ca CIMC (地方智慧，全球營運) ba ed , d c ba e ca ed C a a d E , e.

I 2017, e a a ce c ea ed, g ba a a ga a e ec e ed, e g e a a ga a e g ba , e ec a e acce e a g f e f a d e f LNG. T e PRC g e e a c e , d ced a d e e ed a e e f ce c ce g e a f a a ga , c g ec a , f a c , e c c a d e a a age e , a d a e N ce O Acce e a g e U a f Na a Ga (《加快推進天然氣利用的意見》) ed b e Na a De e e a d Ref , e [a a e

e f SOE a d c a ged a e Na g CIMC S Pac f c Off e & E g ee g C ., L d. (南通中集太平洋海洋工程有限公司). N SOE a g ba eade f e a - a d ed - ed ef ed ga e e a e eg e , a a ee e ff e e g ee g a d c c d , . T ea f SOE e f e e e a d e g ee g e ce ca ab e f CIMC E , c' e e a a ga d , c a a d a acc g a egc de e b a d a d a ea, e eb c e g a eg a ed a d a d a e a e c a f a a ga f ca efac , age a d a e e . Ba ed a d c222 e c a a e , ded b SOE' ba . c a age a d e a ab c22f a . D g d cRe g Pe d, a f e a e f RMB105,549,000 a ade b CIMC E , c f a d e f SOE. T e a e a c ded e 2017 c da ed f a ca e f e G . F e a c22f a , ea e efe e e a ca ce e b ed b e C a C a Sec e J a, S a g a Sec e Ne , Sec e T e , C 22f eb e(.c 22f .c .c), e eb e f e H g K g S c. E c a ge(. e e .) a d e C a ' eb e(.c c.c) 4 A g 2017, 16 A g 2017 a d 28 A g 2017.

Chemical equipment business segment: d g d cRe g Pe d, CIMC E , c e ed a d g e f a ce a d e e a e c e . Sa e f a e f a . c a e, ac ed e ce e e . Mea e, a a ea d e a ea ac ed c ea g a ce e e f c a e, ' age e e, g eg , a d e a d f c , e eg e a c ea ed e e f, e d e e e f, d c f, d e ec a , e e , a ea - - ea, c ea e f ea 50% , d c f e ec a a . c a e 2017. I add , d e e U ed S a e, e ea g C a' a - d g ce e f, ef ge a , a d C a' , ce, d e ce e , e a g e a ce a d e e e a f da ed a d , , d c ca ac e , e de a d f, ga a . c a e f CIMC E , c a g f ca c ea ed, a ea - - ea g f ca c ea e , d c 2017. D g d Re g Pe d, e eg e ac e ed e ge e a a ca f afe a d e eff ce e e a d ec ge f, c a e, ed , age a d a a de, c da e ead g e g ba a . e . I Ma 2017, X a g e ed d c e ca , d c E , e , g e C a- E , e Ra a E e ' Ne E , e (X a g E , e Med e, a ea eg) f, e f, e, a f e a . c a e, ed d , g e a , f e e c e ca , d c a fac ed b CIMC E , c. T e a . c a e, f CIMC E , c a e e ab ed a a d-ba ed c a e f, C a- E , e a . c a e, d c e ca a a , c , e, e ce a, ga a dec cde e e f ec e a g e, e.

Liquid food equipment business segment: g e .5([(:)37(g ba)dTJ0.( )0e Z a g]TJ a(X a222)55( )0

C a e IV

E ab ed de CIMC Raffe , a b da f e G , a e 4 R&D a dde g c a e , 3 c c ba e ad 6 e a ad a age e c a e , e eg a ed e a de c , e de g , , d e e , a fac e, c c , c a d e a , a d e e eca ab f a a d d , a ed c c f g -e d ff , e e g ee, ge e a d e, eca e e . T e a e a e f e ead g c , ac , f g -e d ff , e e g ee, ge e C a a d ¢ e a a a c a ed e a a c e e ff , e e g ee, g a e . T e , a , b e e c de e de g a dc c f e - b e, be d g a f , , e - b e, be acc da a f , , ac d g a f , , ac acc da a f , , ga c , e ac , fba , f a g , d c , age e e , c a e e , e-a g e e , OSV, cea g , d- - g -e d ac a d e e , d c c e, ga a , f ff , e e g ee, g , d c .

S ce 2000, d e e , d c b OPEC , ce , a e , d c a g f ca c ea ed a d ed a b a a c a ge -de a d , f e f , c de a d e , d . T e , c g a e, f c de a bee f ed f, a g a de a d-de e da a g a c -de e de . Mea e, e a a ge ca ca e , e a ed a d a c f a e a a c de , ce , c , e ed e g ba ff , e e g ee, g d , e e g a e, d f -de a d e , a e c , ac a d d , . Off , e a d ga , ec ¢ e a ed e g f, ec e e de e f a e ¢ a a be f , g b e a d , d c . S ce 2017, e a a , ce ¢ e , e a f e, g b 2016 a d ff , e e e ¢ e, eb ded.

U de e g f ca ac f e c ed d , e d , a dd e e g f ca , e , de a ed, e, ¢ e e f CIMC Raffe dec ea ed g f ca , e c ea ed d , g e Re , g Pe, d. I 2017, e ff , e e g ee, g b e f e G , ec ded a e , ¢ e e f RMB2.485 b (2016: RMB4.306 b), , e e g a ea - - ea dec ea e f 42.28%; e e a ed RMB1,039 (2016: f RMB213), , e e g a ea - - ea c ea e f 388.82%.

Faced e ¢ e e e e , e e e a a ff , e e g ee, g a e , CIMC Raffe a bee ac e , g b e , a f , a a d c , e e d g , e ¢ e a d e fed b e e a d ga d , a e c , e b e , e ab g a b e c , e ab e , d c t c a , a ga b ea , g f ca ab eg a e ead g de g /c , e e e , ea , a dd ¢ e g e g ee, g e a a d g -e d e c e d , ea , de ac ¢ e e e , a f , a f ac a a a fac e , g e e a , de c e ff , e e g ee, g b e . CIMC Off , e E g ee, g ¢ e aged a ¢ a age de g a dd d af , , e e d g b e , a a d e ca e ff , e e g ee, ge e ec , . F , ec , a ead e gaged, CIMC Off , e E g ee, g added , d c c a FLNG, FSRU, d a e b af , , , c e , ff , e c e a d , ec ea a f g af , . I a e a d b e e e ec , ca e e d , a d e e e e g d , , c c de , d c c a ff , e d , b e a d f a g e ba ge .

I , e ec f e c c a dd e e f a f , : 2017 B e W a e N . 1 f CIMC Raffe cce c e ed e a a-¢ e e a e f , d g c b e ce e S C a Sea. CR600 a e d , ed e Pe , b a e a e bef , e e e d f e e a . O e , , ec de c c e e ba ca e a c e , de , e a , a d a e a ce . T e a , 2 a f , -ba ed , ec a d 9 , ec f e e a c a d a , e , a c g a f , ¢ e c e e d c c a dd e e , a g e , e V c , (S e g) 90 e e d g a f , a d HYSY 162 e d g a f , c c ed f , C a Na a Off , e O C , , a (CNOOC) , e ec e e c e e d e a d b dge a d e e g acc a ed b d e . W , ega d e , ec c b e , a ge , e a , a d d f ca , ec c a HYSY 981 a d e X g a g d g a f , e c e e d.

Chapter IV

In December, CIMC Raffles entered into a shipbuilding contract with Ocean Yield Asia Pte. Ltd. for the construction of one unit of 250,000 DWT Floating Storage and Offloading Unit (FSO) vessel. In March, CIMC Raffles entered into a shipbuilding contract with Bluewater Production Services Holdings Limited for the construction of one unit of FSO vessel. In December

C a e IV

A

T e G ' a e a a fac e e e b e g b da e P e , CIMC Ta da a dZege. T e G ' a eg a e a dac ¢ e e g CFE e ead a age f e ' ce , f c c a b e c de b a d g b dge a d e e a b e , g ' d ' e (GSE) b e , f ea d e d e ¢ e ce b e , a a ed g c e a d a a g b e .

I 2017, e a ' b e c ed g a a e ' f c ' g e c ' c a d e a f d e c a ' ; e f e ' c a d e d e e ce b e be ef ed f ' ba a a d ac ¢ ed a d g ; fa d ¢ e e e e de e a d e - c e ce d e ' ded g d ' e f ' e a a ed g c e b e d ' . T e a a bee c ea g c ce ed e e f ' ba a g a d ce e d g O C ce g Pa g Fac C ' c U ba A ea (Fa Ga J C [2015] N . 1788), d ¢ e e ce f ' e a g d ' ¢ e bee e c ' aged a d a c ed ' cce e , b g ga e ac e a a g fac e d ' .

I 2017, e G ' ' a ' fac e e e b e ec ded ¢ e e f RMB3.597 b (2016: RMB3.213 b), e e e ga ea - - ea c ea e f 11.93%. I ac ¢ ed e ' f f RMB146 (2016: RMB131), e e e ga ea - - ea c ea e f 11.74%. T e c ea e ' ¢ e e a d e ' f e e a d e e ' f e c ea e e e ce age f e f ea d e d e e ce b e ' c ' b , e f ' e e a ce e ba ga g ca ab e f e b a d g b dge a d e e a e e b e , a e a afe e ac ¢ e e a d ae e f a ed ' g ec ge f ' a ed g c ' , ' ec c ' ac gc e e a f ' e ' e g e ed.

D ' g e Re ' g Pe d, e G ' ' f ' e ' e g e ed ca ab e e a ' fac e e e b e , a d e ' f ¢ e a ' e d:

- T e b a d g b dge a d e e a b e : c ed ' ec ' d ead g b e ' ¢ e e a d ' fab . I b a d g b dge b e ed e d ' a c ed e de ' cce ' a e ¢ e e f e 95% f ' e d e c ' ec b d f ' d ' g e e a . Sa e g f e b ' dge ad g a d a ' c d g b e e a ac ¢ ed ' g e e g ge e a ed f c ab ' a e a ' b e .
- T e g ' d ' e (GSE) b e : 2017, e - a ' e fe ' e a d e ec ' c - e ed ' d c f X fa A ' E e L d ., a ' b d a ' f e C a ' ga ed ' e ' d e e ' ec g a d ' e ' a e g g ' ead . T e a fac ' g ff d e ce a d f g a f ' e ce a g ad a bee e ed C a , e eb ' e ' e g ' d c a a d ec ' g - e de e .
- T e f ea d e d e e ce b e : d ' g e e a , Zege b a e c e a d a a e ' e E ' e c ' e g e ed e ce ca ab e f e E ' e a a e . I add ' , Zege a effec e afe g a ded ' ' f add e ec ge a d ' ed ced c b a f ' a eg c e e a l a a c a ' , Ce a S ' . W ' e g e ed ec g ' ade b CFE, c e e ' ' e e ed, de e ca ab a e a ced a d e b e ac ¢ ed ead g .
- T e a ed g c e b e : d ' g e e a , e G ' a e ' ' ed Zeg ' J e L g c A a S e C . L d. a d ga ed a a ed ' g ca ab e a e a ' a fca a a ge e a c ' ac ' , e eb ' e e a c g c e e c .
- T e a a ' g b e : a a effec e a e a ' g ' be c e , e G ' a bee ' ceed g e ' ec f e G ' f ' e c ' c f ' - ' e ' b c a ' g ga age .

Case IV

W a a eg a e eG ' a , fac e e e b e a d eca e ce b e e , 4 Dece be 2017, eG , CFE a d, e a a e e ed ag ee e , , a c CFE ae , ed e e e P e a d e e Ta da f eG a d e, e a a e ag ee e .

C a e IV

I ec f e d a a de e ead e a b e : a de ed a d ad a ced ead . D g e Re g Pe d, e ec d a e f e CIMC I ge ce Va e ec S g a La e, D gg a , d a gd g a c eed e e a a d e ea c a e a e e e b e e e a . T e b e c ba ecq ed a e f eg e e , ce a d ee . T e b e de f e d a a f e G ad a d a d ead de e e . A a e e d f e Re g Pe d, a a f e CIMC I ge ce Va e ec D gg a , e e e ed d a a ec c ded: CIMC Da aba e X , d a gd g a d Q gda Reefe I C ba Pa Ja , Q gda . A e e , e G ac e eg a a d e ec f e e ea ec e ea eg .

I e ec f e ad a e de a b e : ad ed e de e e a eg . Ce a 3 ea fda fda 6. e a 5a - 10(33[a ccd( ) .d .086(f fg a)0.5 e GS T

C a e IV

D g e Re g Pe d, e ec f ef a ca b e , eG ac ed e e f RMB2.341 b (2016: RMB2.302 b), e e g a ea- - ea c ea e f 1.66%, a d e , f f RMB992 (2016: RMB824), e e g a ea- - ea c ea e f 20.46%.

I 2017, c e ed fd e cec a d d , e c , g, CIMC F a ca Lea g C a ga ed a e , e, a dc , e g e ed e ega f d , a df a ce ac dffe e b e eg e f eG . A f , ea e de, ec a c ea ed e e c c ca- a d , d e e, c ed e d , - , f , , ed a e a , aed a age ca e a d c ea ed c e ead a age , d c dffe e a . A e a e e, c ea ed , c , e g , d , e, , c c , ed a f e e ed a e , f , e , ed e e ab e f a e a age e e a d , c ed , . A f , f d , c dee e ed a e e e a

C a e IV

Modular Building Business: CIMC M d a, a b da f eG , e,a e d a,b d gb e ,a d de e ed a e e ce de f Ma fac , g + F a ce + Se ce eg,a g d , a d f a ce. D , g eRe , gPe d, ,e ec f e e,a a a.e, CIMC M d a, f , e,e a ded E ga d, A e ca, A ,a a, Ne Zeaa d, Af ca a d e c , e a d,eg eg,a ed c e e ,e g , ca,e d e a ed e e a da a, e g a.e, a de a ded e g-e, ea g a a, e a d e de, e a.e. F g e de e, f , ec f e,a a ,e ed E g e a d de ,e de ce a a, e f , ,d-,e ed e, e, CIMC M d a, B d gl e e C a L ed g ed , ec c ,ac A e,ca, e g a de, e b e a . I e A ,a a a d Ne Zeaa d a.e, CIMC M d a, B d gl e e C a L ed ac ¢ ed a b,ea , g d¢ e e a b a ed ,de f , g , e e b d g a d b c afe e, ce fac e. A f , ed e c a.e, CIMC M d a, a c ed ¢ e,a , a , ec e d a,b d gb e f ed e c a.e, a d ec ca edge, e G , e b d f , e e a d ffce b d g , ec e X g'a e, ce

2.

In respect of the container manufacturing business, acc d g e a e ed c ade b CLARKSON (a g ba ead g a a), e g f g ba c a e ade eac ed 5.0% 2017 a d d c e g a ae 2018. I e ec ed a g f g ca ac be e a e g f ade, be g 3.6% a d 4.0%, f 2017 a d 2018, e ec l e , e e l e f g ca ac c e be e ed, a d c ea g g ade ead g ea e a. e de a d f c a e . I l e f e f e eeab e c d a ce 2018, e ec ed a d e a a a ea l e eage g e c a e c a e . T e ef e, ed c ed a e de a d f c a e 2018 e a a a fa e ab e e.

Chapter IV

In respect of the logistics services business, 2018, ec , de e f ec c g de cab age c ce , ec ge ad de , effec e ega g a , e ce ade ac g ega ad eg be ee d , e. I ege ca e be e ab ed e , f bg daa, e , a g ad a c ab a . I de ee de ad a gf e a f a ad , e e f e a fac , g d , , g c b e e be , edef g e, b e , ced , e ade ab ga ega ed ad e ge ca e ce e ee e eed f e, c e . M da , a , ad e ad a ced , a , de c e be de e ed, ec , c be acce e, a ed f , da , ead b, a c - . e , a , b (g c a ,). F , e f c be aced e , fe a a ad a da d a f , a , e e a e a ec a ca f e c a e , b - e e - , a e, ad e, a da d ed , a , e ce .

In respect of the heavy truck business, 2018, e ac, ec e ec ed ab e af e, e e e a d , g 2017 a d a d , e a . e e ec ed. I c e a . e , e e c ea g de a d f , e , e de e , a d , a , ca ca , e , c d c a a d a e , a , a , e de a d e ec ed fa d a ca e c a a . e , a d , eb df , a a d c e ca , a e f , ba c , c , g a d , c . , ge e, a e - a ad g, a e a d ce a e a a . e . T e e be c ea g de a d e , ad , a , a a . e a e a e , e de e , e - a , c. ad a d f , c. ad g a . e . I e ec ed a e a . e , e a d g eff ce c, e , . g a d ega , e e a da d a , e , e e a e e ec ed , gge de a d f E , ea a . e , a dde a d f , , ac , , ce , a - a e e ce c ea e g f ca d e e , ad , eg a .

In respect of the airport facilities equipment business, 2018, e g ba a , , b e g ead , a d e ec ed a e b a d g b dge a d e , e a d e a d e GSE b e be ef a e M , f Defe e e , e a , ace. T e f , e a d , e d e e e b e a g ead a e , e a e b e , e d e ge , ega e g ba f , e a d afe d , , f g a d ec a - e e ce a e a , f abe f e e . T e a aed g c d e c e g , e , e e a ec g a ca . T e ga a ge d e fa , ab bac ed b c - , . I , e ec f - c c , , de a , a de e , a . g a a add e a . g e be fea b e a d effec e. I add , e e f a a ca a d , e a a bee g ad a , g.

In respect of the industrial city development business, 2018, e d e c ac, ec e ec ed ab e, a d , ad g e f , e , ea e a e a . e c e be ac ed b de e , ag g a d g e g f d e f a ca a . e . I e ec ed a g e g ce e c e c e affec a . e a , da d f , - e c e f , a da ea . A e a de e e a a g , da d f , - e c e , g - e de e e e a f e , ea e a e a . e be de e ed b e c ' d , , , a , a a dde g a c . F , e, eg e a f , e de a ea g ce a e a , e , c a ea d ea e ce be e e ed , ge e . W ec , e e e g e g f , ea e a e e ca a a d , e g e ed , eg a g f a ce, e ec ed a a e e a c b e , e a . e a d , e a a . e a e ac e e e g g a d e e a f g - e , e ce be acce e, a ed.

In respect of the financial business, [illegible] 2018, [illegible] Under the Securities Regulation and Securities Law, [illegible] securities trading [illegible] securities trading [illegible] securities trading [illegible] Securities Regulation and Securities Law [illegible] 19 National Financial Regulatory Commission [illegible] Provisions on Financial Institutions' Information Technology Risk Management [illegible] Provisions on Information Technology Risk Management [illegible] Provisions on Information Technology Risk Management [illegible]

3. [illegible]

In 2018, [illegible] Manufacturing + Service + Finance, [illegible] and upgrade [illegible] and [illegible] Through [illegible] based [illegible] and [illegible] and [illegible] Through [illegible] Through [illegible] and [illegible] and [illegible] and

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

In respect of the heavy truck business, 2018, CIMC Vehicles continued to implement the strategy of "Leading Technology, Quality and Service", and further improved the management system and operation mechanism to enhance the core competitiveness of the business. The business maintained its leading position in the industry in terms of sales volume and profitability. Meanwhile, the business continued to optimize its product structure, and actively developed new products and new markets to enhance the overall profitability. The business also continued to improve the quality of its products and services, and enhanced the brand influence. In addition, the business continued to improve the management system and operation mechanism, and enhanced the overall management level. The business will continue to implement the strategy of "Leading Technology, Quality and Service" in 2019.

In respect of the airport facilities equipment business, 2018, the business continued to implement the strategy of "Leading Technology, Quality and Service", and further improved the management system and operation mechanism to enhance the core competitiveness of the business. Faced with the challenges from the fluctuation of the exchange rate of Renminbi against foreign currencies, the business actively adjusted its product structure, and developed new products and new markets to enhance the overall profitability. The business also continued to improve the quality of its products and services, and enhanced the brand influence. In addition, the business continued to improve the management system and operation mechanism, and enhanced the overall management level. The business will continue to implement the strategy of "Leading Technology, Quality and Service" in 2019.

In respect of the city industry business, 2018, the business continued to implement the strategy of "Leading Technology, Quality and Service", and further improved the management system and operation mechanism to enhance the core competitiveness of the business. The business maintained its leading position in the industry in terms of sales volume and profitability. Meanwhile, the business continued to optimize its product structure, and actively developed new products and new markets to enhance the overall profitability. The business also continued to improve the quality of its products and services, and enhanced the brand influence. In addition, the business continued to improve the management system and operation mechanism, and enhanced the overall management level. The business will continue to implement the strategy of "Leading Technology, Quality and Service" in 2019.

In respect of the financial business, 2018, CIMC Capital Ltd. continued to implement the strategy of "Leading Technology, Quality and Service", and further improved the management system and operation mechanism to enhance the core competitiveness of the business. The business maintained its leading position in the industry in terms of sales volume and profitability. Meanwhile, the business continued to optimize its product structure, and actively developed new products and new markets to enhance the overall profitability. The business also continued to improve the quality of its products and services, and enhanced the brand influence. In addition, the business continued to improve the management system and operation mechanism, and enhanced the overall management level. The business will continue to implement the strategy of "Leading Technology, Quality and Service" in 2019. In 2018, CIMC Capital Ltd. achieved a net profit of approximately RMB36.9 million, a year-on-year increase of approximately RMB54.83 million, mainly due to the increase in the investment income from the disposal of equity interests in certain companies.

1. [illegible]

[illegible]

2. [illegible]

☐ Applicable ✓ Not Applicable

[illegible]

[illegible]

[illegible]

[

C a e IV

W e acc a f a ge- ca e, e a ed a d a da d ed a age e e e, e ce a d ca ab e
e a ea f c a e a fac , g e e ea a d c , e e a d g ade , d e ,
e G , d ce e ea a age e c ce e e g , a d b g f a f c c, e
ca ab e a g eff c e , afe, g ee a d ea a fac , g ec ge a d , ce a age e
, e , e e ed b e ONE M de a d e QHSE ac b e e g e , ea e e g a f c
, e e .

A A

I e e a b e e g e c a e, ad a , a e c e, e e g , c e ca a d d f d
e e a d a , fac e e e , e G a c ee d d , a c da , g a e, e
f e ge, a d ae , a d e g a ed c a , , d c a d a fac , g, e , ce a d

3.

A f 31 Dece be 2017, e e e f e G e RMB23,016,029,000 (2016: RMB20,774,432,000), a d e d b abe e e e RMB19,734,494,000 (2016: RMB17,495,053,000). M e e e e e a d e d b abe e e f e G d g e Re g Pe d a e e IV. 48, 49 C a e XIII F a ca Sa e e P e a ed Acc da ce CASBE Re .

4.

D g e Re g Pe d, e C a dd e e a c ac c ce g e a age e ad a f e a b e a f ae a b e , dda c c ac e .

5.

I 2017, e agg ega a e c a ea b abe e f e f e a ge e f e G a e a 30% f e G ' a c a e, e agg ega e e e de ed f e f e f e a ge d e a e a 30% f e G ' a ae. F de a f e f e f e a ge d e a d e f e G , ea e efe (8) I f a f e a d e a d a e f 2. I c ea d C f II. A a f P c a B e e f C a e V O e a D d a d A a P e a ed Acc da ce e D e c Sec e Reg a R e Re .

N e f e D ec , S e a d e a c a e a S a e de (e edge f e D ec e e d g 5% e f e C a ' a e ca a) ad a e e a f e ab e e ed f e f e a ge e a d f e f e a ge d e .

6.

T e C a a f b da e dd e c a e, e edee a ed ed e f e C a b da e d g e Re g Pe d.

7.

A a 31 Dece be 2017, e C a dd a ea de ec e abe e d e ede .

8.

T e A ce f A ca C e e a ad e ega d g e-e e g de c e C a e e e a e a aba e g Sa e de .

9.

P ea e efe e IV. 39 f C a e XIII F a ca Sa e e P e a ed Acc da ce CASBE Re f de a f e a ce f ed - e e b e C a .

10.

15.

Based on the 2017 annual general meeting resolution, a dividend of RMB2.70 per share (including applicable tax) for the year 2017. The dividend distribution for the year 2017 is subject to the approval of the shareholders' general meeting of the Company. For the dividend distribution policy and dividend payment plan, please refer to Section IV Significant Events and Section VIII Shareholders' Equity Changes and Shareholders' Profile of this Report. Please refer to Note IV.49 Chapter XIII Financial Statements Prepared According to CASBE.

16.

During the Reporting Period, the Company complied with the Corporate Governance Code as set out in Chapter XI of the Listing Rules. During the Reporting Period, the Company complied with the Model Code for Securities Transactions by Directors as set out in Appendix 10 to the Listing Rules.

17.

The Company engaged Ernst & Young Hua Ming LLP as the domestic auditor of the Company and Ernst & Young as the international auditor of the Company. The Company paid Ernst & Young Hua Ming LLP RMB13.91 million as the remuneration for the 2017 financial statements audit and internal control audit services.

18.

For the details of the Company's safe, environmental and social responsibilities, please refer to Chapter XII Chapter XIII Financial Statements Prepared According to CASBE.

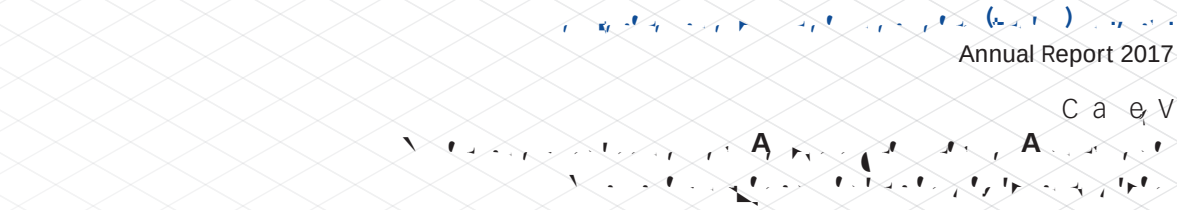
C a e V

A A

F e f e G ' b e e d g e R e g P e d, e a e, e f e 1. Q e e f II. R e e
f P c a B e e D g e R e g P e d d e C a e IV R e f e B a d R e .

A A A

1.



C a e V

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(2) 10%

U : RMB ' a d

	Re e e	C f ae	G f ag	Yea - ea c a ge ee e	Yea - ea c a ge c f ae	Yea - ea c a ge g f ag
By industry						
C a e	25,046,697	21,145,197	15.58%	126.32%	113.81%	4.94%
R ad a a e ce	19,520,664	15,938,947	18.35%	32.84%	33.60%	(0.46%)
E g ce ca a d df de e	11,846,200	9,647,457	18.56%	26.65%	27.30%	(0.42%)
L g ce	8,195,452	7,406,255	9.63%	14.95%	16.62%	(1.30%)
By product						
C a e	25,046,697	21,145,197	15.58%	126.32%	113.81%	4.94%
R ad a a e ce	19,520,664	15,938,947	18.35%	32.84%	33.60%	(0.46%)
E g ce ca a d df de e	11,846,200	9,647,457	18.56%	26.65%	27.30%	(0.42%)
L g ce	8,195,452	7,406,255	9.63%	14.95%	16.62%	(1.30%)
By region						
C a	32,769,171			39.07%		
A e ca	18,482,055			90.18(32.84%)T 6.89 0 Td(33.60%)T 6.89 0 Td((0.46%))T -56.33		

33.60%

(3)

✓ Ye ☐ N

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(5)

Industry classification

U : RMB a d

Id ca fca	le	2017 Amount	2017 % of cost of sales	2016 A	2016 % fc fae	Yea- - ea A c age
C ae	Dec ae a	17,344,980	82.03%	7,610,009	76.95%	5.08%
Rad a a ece	Dec ae a	14,082,366	88.35%	10,565,729	88.56%	(0.21%)
Off ee g ee g	E e	1,464,155	58.14%	2,961,039	76.56%	(18.42%)

Product classification

U : RMB a d

Id ca fca	le	2017 Amount	2017 % of cost of sales	2016 A	2016 % fc fae	Yea- - ea c age A
C ae	Dec ae a	17,344,980	82.03%	7,610,009	76.95%	5.08%
Rad a a ece	Dec ae a	14,082,366	88.35%	10,565,729	88.56%	(0.21%)
Off ee g ee g	E e	1,464,155	58.14%	2,961,039	76.56%	(18.42%)

(6)

✓ Ye ☐ N

D g e Re g Pe d, f de a f ec a ge f ec da c e f e G , ea e, efe eV f C a e, XIII F aca Sae e P, e a ed Acc da ce CASBE Re .

(7)

☐ A cable ✓ N A cable

(8)

Information of the major customers of the Company

T a ae a f e ed e (U : RMB a d)	12,489,770
% f e a aea f e ed e ea a aea	16.37%
% f e a aea f,ea ed a ea g e ed e e a a aea	0.00%

Information of the top five customers of the Company

✓ A cable ☐ N A cable

U : RMB a d

No.	Name of customer	Sales amount	% of the annual total sales amount
1	T C a e l e a a L ed	3,953,720	5.18%
2	Med e,a ea S g C . SA	3,865,260	5.07%
3	C ag e Ma e D'Aff,e e e	2,372,859	3.11%
4	Te a e, E e Ma age e L ed	1,194,748	1.57%
5	C a e, A ca l e, a a	1,103,183	1.44%
T a		12,489,770	16.37%

Other information of major customers

☐ A cable ✓ N A cable

T e, e a ,ea be ee e C a a d e ed e, a d e D, ec , , S e , , e , a age e , c, e ec ca , S a e de, d g ,e a 5% f a, e , de fac c , e, a d e, ,ea ed a, e f e C a dd d, ec , d, ec e e a , d e, .

Chapter V

[illegible]

Information of the major suppliers of the Company

Total purchase from the top five suppliers (Unit: RMB Yuan)	5,570,997
% of total purchase from the top five suppliers over total annual purchase	8.94%
% of total purchase from related parties over total annual purchase	0.00%

Information of the top five suppliers of the Company

✓ Applicable □ Not Applicable

Unit: RMB Yuan

No.	Name of supplier	Purchase amount	% of the annual total purchase amount
1	Shanghai Baosteel Industry Trading Co., Ltd.	1,457,491	2.34%
2	Ruian Steel Wire Co., Limited.	1,255,155	2.01%
3	Angang Steel Co. Limited	1,149,757	1.85%
4	China National Heavy Duty Truck Group Co. Limited and its subsidiaries	916,558	1.47%
5	Shougang Jingang United Trading Steel Co. Limited	792,036	1.27%
Total		5,570,997	8.94%

Other information of major suppliers

□ Applicable ✓ Not Applicable

The above data have been calculated based on the consolidated statements of the Company and its subsidiaries, and the suppliers mentioned above do not include any shareholder who holds more than 5% of the Company's shares, its affiliates or any other related party.

3.

U : RMB

	2017	2016	Year-on-year change
Sales			

R&D investments of the Company

	2017	2016	Percentage
Number of R&D personnel (person)	3,389	3,385	0.12%
Percentage of R&D personnel	6.69%	6.60%	0.09%
Amount of R&D investments (RMB thousand)	725,386	563,792	28.66%
Percentage of R&D investments to revenue	0.95%	1.10%	(0.15%)
Capitalised amount of R&D investments (RMB thousand)	73,657	44,352	66.07%
Percentage of capitalised R&D investments to R&D investments	10.15%	7.87%	2.28%

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

☐ Applicable ✓ Not applicable

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

☐ Applicable ✓ Not applicable

5.

Unit: RMB Thousand

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

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

✓ Applicable □ Not applicable

During the Reporting Period, the cash inflows from operating activities and cash outflows from operating activities increased by 54.38% and 53.05% respectively as compared with the corresponding period of last year, mainly due to increase in cash received from sales of goods and provision of services during the Reporting Period. Cash inflows from investing activities and cash outflows from investing activities increased by 469.08% and 46.87% respectively as compared with the corresponding period of last year, mainly due to increase in cash received from disposal of investments during the Reporting Period.

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

□ Applicable ✓ Not applicable

Ca e V

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✓ A cab e ☐ N a cab e

U : RMB ' a d

	A	P a f E a a ef a	S a ab e
I e e c e	510,351	11.57% Ma d e e e c ege ea ed f ed a f e a e f CIMC E ec c C ece f e ea.	N
P f f c a ge fa a e	111,316	2.52% Ma d e c a ge fa a e fe e edf ad g a dde a e f a ca e f e ea.	N
A e a e e	671,341	15.23% Ma d e e f bad deb f acc ece abe a d L f d a e f e e f e ea.	N
N - ea g c e	622,421	14.12% Ma d e e c e ece ed f e ca c e a f P ce Ba La d f e ea.	N
N - ea g e e e	384,865	8.73% Ma d e ee e e f e ca c e a f P ce Ba La d f e ea.	N

A A A

1. A

U : RMB ' a d

	As at the end of 2017		A a ee d f 2016		C a ge f e ea ea	De c f a e a
	Amount	% of total assets	A	% f a e		
Acc ece abe	16,396,726	12.55%	11,526,075	9.25%	42.26%	Ma d e e c ea e a ece abe a g f c ea ed e e e f e G f e Yea a c a ed a f a ea.

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✓ A cab e ☐ N a cab e

4.

(1)

✓ Applicable □ Not applicable

Unit: RMB Yuan

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
Shares	6198	Qingdao Port	128,589	Fair value	133,400	54,001					177,020	Financial assets measured at fair value through profit or loss	Self-funded
Shares	368	Sinoship H	20,742	Fair value	3,860	1,421					4,985	Financial assets measured at fair value through profit or loss	Self-funded
Others disclosed in accordance with the Reporting Period					812	753				767	1,298		
Total			149,331		138,072	56,175				767	183,303		
Amount of profit from disposal of securities during the Reporting Period			N										
Amount of gain on equity investment (loss)			N										

(2)

Unit: RMB Yuan

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
Australia Stock Exchange: OEL	OZ Minerals	13,480	13,521	1.19%	3,995		568	Available-for-sale financial assets	Stock acquisition
HongKong Stock Exchange: 206	TSC Offshore Limited	167,591	92,800	13.12%	193,066	(6,614)	(13,225)	Long-term equity investment	Stock acquisition
HongKong Stock Exchange: 00445	CFE	467,498	1,223,571	30.00%	532,763	(2,109)	49,597	Long-term equity investment	Stock acquisition

Chapter V

(3)

✓ Applicable ☐ Not applicable

Unit: RMB'0000

Name of derivatives investment operator	Relationship with the Group	Related party transaction or not	Type of derivatives investment	Initial investment amount of derivatives investment	Date of commencement	Date of termination	Investment amount at the beginning of the Reporting Period	Purchase during the Reporting Period	Sale during the Reporting Period	Provision for impairment (if any)	Investment amount at the end of the Reporting Period	Proportion of investment amount at the end of the Reporting Period to the net assets of the Company at the end of the Reporting Period	Actual profit or loss during the Reporting Period
HSBC, Standard Chartered Bank	N	N	Foreign exchange forward contract		2017/2/23	2018/12/7	219,820				314,821	0.97%	17,470
HSBC, ANZ and other banks	N	N	Foreign exchange swap		2017/10/17	2018/11/15					270,588	0.83%	1,316
China Construction Bank, Deutsche Bank and other banks	N	N	Interest rate swap contract		2011/1/6	2021/6/28	10,302,060				9,491,309	29.24%	15,580
ING	N	N	Currency swap contract		2017/8/3	2018/6/29					65,359	0.20%	(1,351)
Total							10,521,880				10,142,077	31.24%	33,015

Specific explanation on whether the Company violated regulations in relation to derivatives investment during the Reporting Period	Not applicable
Disclosure date of announcement approving the derivatives investment by the Board of Directors (if any)	N/A
Disclosure date of announcement approving the derivatives investment by the general meeting (if any)	28 March 2017
Risk analysis and control measures of the Company's derivatives investment during the Reporting Period	N/A
Changes in market prices or fair value of invested derivatives during the Reporting Period, and analysis on fair value	As at 31 December 2017, derivatives fair value gain on foreign exchange forward contracts and foreign exchange swap contracts amounted to RMB314,821,000, which was recognized in the fair value gain on foreign exchange forward contracts and foreign exchange swap contracts in the current period. Derivatives fair value gain on interest rate swap contracts amounted to RMB9,491,309,000, which was recognized in the fair value gain on interest rate swap contracts in the current period; derivatives fair value gain on currency swap contracts amounted to RMB65,359,000, which was recognized in the fair value gain on currency swap contracts in the current period.
Capital source of derivatives investment	For the year ended 31 December 2017, the capital source of derivatives investment was RMB33,015 million.
Whether there was any lawsuit involved	N
Specific explanation on the gains and losses of derivatives investment during the Reporting Period	The realized gains and losses of derivatives investment during the Reporting Period amounted to RMB33,015,000, and the unrealized gains and losses of derivatives investment during the Reporting Period amounted to RMB10,142,077,000.

5.

✓ A cab e ☐ N a cab e

(1)

✓ A cab e ☐ N a cab e

U : HK$

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

Description of overall utilisation of proceeds raised

S c ceed a ed f e e f add a H S a e a e bee f ed f e e g e g ca a f e G .

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☐ A cab e ✓ N a cab e

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☐ A cab e ✓ N a cab e

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✓ A cab e ☐ N a cab e

U : RMB ' a d

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

✓ A cab e ☐ N a cab e

P ea e efe e e a f a c a ed II. Re e f P, c a B e e D, g e Re , g Pe d de C a e IV Re , f e B a d f Re , f , ede a f e a f , c a b da e a da cae . T e de a e b da e a bega a d cea ed be c da ed e acc f e G d, g e Re , g Pe, da e e V C a e, XIII F a ca Sa e e P, e a ed Acc , da ce CASBE Re , .

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

U : RMB ' a d

Company name	Company type	Principal activities	Registered capital	Total assets	Net assets	Revenues	Operating profits	Net profits
CIMC E , c	S b da	E e g , c e ca a d w df d e e b e	17,793	14,167,219	5,860,978	10,671,276	481,090	420,181

Details on obtaining and disposing subsidiaries during the Reporting Period

✓ A cabe ☐ N a cabe

Company name	Method of obtaining and disposing subsidiaries	Impact on overall production and operation and performance
S e e CIMC Eec, c C eceadLg c Tec g C., Ld.	d a f ae d g	N aea ac eG' Lea , dc ad ea .TeG' Le e ga f, eRe , gPe d RMB483,588,000.
Hg fedDee e C, .	d a f ae d g	N aea ac
SOE	ae f ae d g	N aea ac
Z e g J eLg c A a S e C., Ld.	ae f ae d g	N aea ac
Q gda Leda, C e ca C., Ld	ae f ae d g	N aea ac
青島力達新橡塑製品有限公司	ae f ae d g	N aea ac

☐ A cabe ✓ N a cabe

F, dea f ' f, e' ', ede e e f eG , ea e, efe, III. R ', e De e e a d O ' f C a e, IV Re , f e B a d Re ,

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

Date of reception	Venue of reception	Mode of reception	Type of party received	Party received	Brief description on research
9 January 2017	Casework	Telephone enquiry	Individual	Wayland Secretarial Limited	Procedure, requirements, timing, fees and deadlines
13 February 2017	Casework	Face-to-face meeting	Individual	Peregrine Advisory Limited, Cathay Merchant Securities Limited	Share Buy-back
13 February 2017	Casework	TF Secretariat Telephone Conference Signing and Caring Manufacturing	Individual	TF Secretariat	Share Buy-back
14 February 2017	Casework	Bank of China Macau & Macau Telephone Conference	Individual	Bank of China Limited	Share Buy-back
15 February 2017	Casework	Face-to-face meeting	Individual	GF Securities (Hong Kong) Brokerage Limited, Jiangsu Capital (玖石資本), Pingan Securities Limited, Zhongtai International Securities Limited, China Merchants Securities (HK) Co., Limited, Penghua Fund, Yuanta Fund, Huatai Innovation (紅土創新), Pacific Securities Limited, Haitong Asset Management (HK) Limited, Yunqi Capital (雲嵩資本) and Huaibo Asset Management (懷真資產)	Share Buy-back
16 February 2017	Casework	Face-to-face meeting	Individual	Beyond Fund	Share Buy-back
17 February 2017	Hong Kong Stock Exchange	Telephone enquiry	Individual	Asset Class Management Limited, Long Class Management Limited, Decision Asset Management (HK), Tiger Asset Management Limited, LBN Advisory Limited, Value Partners Limited	Share Buy-back
20 February 2017	Casework	Telephone enquiry	Individual	Fund Class	Share Buy-back

Date of reception	Venue of reception	Mode of reception	Type of party received	Party received	Brief description on research
20 Feb a 2017	C a	Ha gSec e Mac e S aege Tee e C fe ce	I	Ha gSec e	Sa ea ab e
21 Feb a 2017	C a	Fed ea c	I	Ze ag d	Sa ea ab e
22 Feb a 2017	S a g a Ya g a L g c	V a S a g a	I	M ga Sa e	B e c d a d d a de e e c a e d e
24 Feb a 2017	S a g a Ya g a L g c	V a S a g a	I	GF Sec e	Sa ea ab e
24 Feb a 2017	Z a g aga g Sa c C ge c	V a Z a g aga g	I	E ece Sec e	B e c d a d d a de e e e g a dc e ca d e
11 A 2017	C a	Fed ea c	I	O e D Ca a	P c a d e c d e e ge ece d a de e e a d d
28 A 2017	C a	Tee ec fe ce	I	CICC a d C e	E c a ge Q1 e
17 Ma 2017	C a	Fed ea c	I	E ece Sec e	P c a d e c d e e ge ece d a de e e a d d

Date of reception	Venue of reception	Mode of reception	Type of party received	Party received	Brief description on research
18 Ma 2017	K aad V a Saga	K aad Saga	I !		

Date of reception	Venue of reception	Mode of reception	Type of party received	Party received	Brief description on research
15 Se e be, 2017	C a	Fed,e ea,c	I	C aS e H d,H ac a g P, c a d e H d	P, c a d e c d , L e e , g e , ,ece d , a de e e a d d ,
20 Se e be, 2017	C a	Fed,e ea,c	I	Ta. a g A e , TF Sec , e , Sea a d Sec , e	Sa ea ab e
14 N e be, 2017	S e e	Fed,e ea,c	I a d d a	Ba g H d, P g Y Ca a, GF Sec , e , 長城財富, CITIC Sec , e , E ece Sec , e , TF Sec , e , C aS e H d, CICC, UBS, Z g a, I d , a Sec , e , C a O, e A e Ma age e , 亞商投資, C a L fe I , a ce, Ha g Sec , e a d Sea a d Sec , e	V c a e a d e ce a
1 Dece be, 2017	S e e	Fed,e ea,c	I	C a Me c a Sec , e a d C e	P, c a d e c d , L e e , g e , ,ece d , a de e e a d d ,
5 Dece be, 2017	S e e	Fed,e ea,c	I	N , ea Sec , e a d C e	Sa ea ab e
8 Dece be, 2017	S e e	Fed,e ea,c	I	F de, Sec , e a d C e	Sa ea ab e
20 Dece be, 2017	S e e	Fed,e ea,c	I	Sea a d Sec , e a d C e	Sa ea ab e
22 Dece be, 2017	S e e	Fed,e ea,c	I a d d a	BOC I e a a, Ta. a g AMC, Z g a Mac e , 景泰利豐 a d	

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Chapter VI

Management Discussion and Analysis

The financial information in this section is extracted from the Group's audited consolidated financial statements prepared in accordance with International Financial Reporting Standards.

Analysis of Income Statement

During the Reporting Period, the Group recorded net profit attributable to shareholders of the Company of RMB76,299,930 (2016: RMB51,111,652), representing a year-on-year increase of RMB2,509,242 (2016: RMB539,660), or an increase of 49.28% and 364.97%, respectively. For details, please refer to the section headed "II. Report of Profit and Dividend" in Chapter IV Report of the Board. For the definitions of Adjusted Net Profit and Adjusted Net Profit Margin, please refer to the section headed "IV. 50 Chapter XIII Financial Statements Prepared According to CASBE" in Chapter IV Report.

For the reasons of the Group's net profit growth during the Reporting Period, please refer to the section headed "II. Report of Profit and Dividend" in Chapter IV Report of the Board. For the definitions of Adjusted Net Profit and Adjusted Net Profit Margin, please refer to the section headed "IV. 50 Chapter XIII Financial Statements Prepared According to CASBE" in Chapter IV Report.

Total revenue of the Group in 2017 increased by 18.36% year-on-year to RMB14,007,215. The following table sets forth the breakdown of revenue by business segment for the years indicated:

Unit: RMB and %

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

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A a 31 Dece be 2017, e G ' - e b g g - e b g debe e a abe a d e d e ab e (a ce f c e ca a e) agg ega e a ed RMB52,014.876 (31 Dece be 2016: RMB55,932.185). De a f ba a a d e b g f e G a a 31 Dece be 2017 a e e e IV. 25, 36, 37, 38 a d 39 C a e XIII F a ca Sa e e P e a ed Acc da ce CASBE e .

U : RMB a d

	As at 31 December 2017	A a 31 Dece be 2016
S - e b g	15,317,347	15,729,787
N - d e b g d e e ea	3,982,626	3,525,710
Debe e a abe d e e ea	–	
L g-e b g	24,140,168	27,023,222
Debe e a abe	7,986,500	7,986,500
O e d e ab e (a ce f c e ca a e)	588,235	1,666,966
T a	52,014,876	55,932,185

I e e ca a ed b e G 2017 a RMB517.890 (2016: RMB507.365).

T e G ' ba b g a e a de a ed U.S. d a , e e e a e c ed g f ed a e a df a g a e . A a 31 Dece be 2017, e G ' ba b g c ded f ed a e b g f a a e RMB8,728.021 (31 Dece be 2016: RMB8,123.960) a d f a g a e b g f a a e RMB34,712.120 (31 Dece be 2016: RMB38,154.759). T e g - e b g e e a d e f e ea . F de a , ea e efe e IV. 38 a d e XIV. 3 C a e XIII F a ca Sa e e P e a ed Acc da ce CASBE e .

T e G ' ed b d a e a de a ed RMB, e e e a e c ed g f ed a e . A a 31 Dece be 2017, e e a g f ed a e b d ed b e G a ed RMB7,986.500 (31 Dece be 2016: RMB7,986.500). F de a , ea e efe e IV. 39 a d e XIV. 3 C a e XIII F a ca Sa e e P e a ed Acc da ce CASBE e .

T e G ' ca a c e c f e e a b ab e S a e de a d ab e . A a 31 Dece be 2017, e G ' e e e a b ab e S a e de a ed RMB43,237.434 (31 Dece be 2016: RMB39,134.792); e a ab e a ed RMB87,366.945 (31 Dece be 2016: RMB85,479.956) a d e a a e a ed RMB130,604.379 (31 Dece be 2016: RMB124,614.748). F e g f ca c age e G ' a e a d ab e d g e Re g Pe d, ea e efe IV. A e a d Lab e f C a e VO e a D d a d A a P e a ed Acc da ce e D e c Sec e Reg a R e Re .

A e e d f e Re g Pe d, e G ' gea g a a 66.89% (31 Dece be 2016: 68.60%), e e e g a ea - - ea dec ea e f 1.71 e ce age . T e G c ed a a a a e c b a f a d deb de a a a effec e ca a c e a d de a e f S a e de . (N e: e gea g a ca d a ed ba ed e G ' a deb d ded b a a e a a e ec e da e .)

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The Group's businesses are mainly settled in U.S. dollars, Euro and RMB. Currently, the PRC government has implemented a managed floating exchange rate system based on market supply and demand with reference to a basket of currencies. It is expected that the RMB exchange rate will remain relatively stable in the short term. However, there is no guarantee that the RMB will not fluctuate significantly against U.S. dollars, Euro or other currencies. The Group's foreign exchange risk mainly arises from recognised assets and liabilities denominated in currencies other than the functional currency of the relevant entities. The Group's foreign exchange risk is mainly related to the fluctuation of RMB against U.S. dollars, Euro and Hong Kong dollars. The Group's management has established a policy to require the Group to manage its foreign exchange risk against its functional currency. The Group's foreign exchange risk is primarily attributable to the exposure of recognised assets and liabilities denominated in currencies other than the functional currency of the relevant entities. Please refer to Note XI. 1(1) Chapter XIII Financial Statements prepared according to CASBE Rules.

The Group's interest rate risk arises from bank borrowings. Floating-rate borrowings expose the Group to cash flow interest rate risk. Fixed-rate borrowings expose the Group to fair value interest rate risk. The Group determines the relative proportion of fixed-rate and floating-rate borrowings based on market conditions. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. Please refer to Note XI. 2 and 26 Chapter XIII Financial Statements prepared according to CASBE Rules.

The Group's credit risk is mainly attributable to bank deposits, accounts receivable, other receivables, loans to third parties and derivative financial assets. The Group's bank deposits are mainly deposited with state-owned banks and other medium or large listed banks. Management expects that there is no significant credit risk associated with these deposits. The Group has established relevant policies to control the credit exposure to customers. The Group assesses the credit quality of customers by taking into account their financial position, past experience and other factors. Please refer to Note XI. 1(2) Chapter XIII Financial Statements prepared according to CASBE Rules.

As at 31 December 2017, the Group had cash and cash equivalents of RMB142.718 billion (31 December 2016: 417.786 billion), which were mainly denominated in RMB, U.S. dollars, Euro and Hong Kong dollars. Please refer to Note XI. 1(1) Chapter XIII Financial Statements prepared according to CASBE Rules.

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For details of the contingent liabilities of the Group as at 31 December 2017, please refer to Note IV. 13 and Chapter VI Chapter XIII Financial Statements prepared according to CASBE Rules.

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A a 31 Dece be 2017, e a e ced a e f e G a ed RMB9,815.725 (31 Dece be 2016: RMB9,756.883). F de a f e G ' edge f a e , ea e efe e IV. 24 C a e XIII F a ca Sa e e P e a ed Acc da ce CASBE Re .

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D g e Re g Pe d, e G c eed e ac f Z e g J e L g c A a S e C ., L d., Q gda Leda C e ca C ., L d, 青島力達新橡塑製品有限公司 a d SOE a a c de a f RMB849.139 . F de a , ea e efe e V C a e XIII F a ca Sa e e P e a ed Acc da ce CASBE Re . D g e Re g Pe d, e G d ed f 78.236% e e ed CIMC E ec c C e ce. T e a a f e d a a RMB633.715 . F de a , ea e efe e V C a e XIII F a ca Sa e e P e a ed Acc da ce CASBE Re .

T e G ' ea ga d ca a e ed e a e a f a ced b ef- ed f d a de e a f a c g. C c e , e G a ea de a de de e a ce f e ea g ca f . Acc d g e c a ge ec c a a d e a g e , a e a e eed f e G ' a eg c gade a d b e de e e , eca a e ed e f e G e ec ed be a , a e RMB9.1 b 2018, c be a ed f , c a ea d c c ff ed a e , a gbe a e a d e g- e a e . T e G c e c de a e ff a c ga a ge e .

A a 31 Dece be 2017, e G ad a c ge ab e f RMB125.286 (31 Dece be 2016: RMB83.248). F de a , ea e efe e X. 1 C a e XIII F a ca Sa e e P e a ed Acc da ce CASBE Re .

A a 31 Dece be 2015, e C a a ed a a f 286,096,100 e H S a e COSCO C a e I d e L ed, B ad R de L ed a d P , H d g L ed a HK$13.48 e H S a e, a d e ceed a ed e ea a e HK$3,857 (e a e RMB3,228). F de a f e e f a ed ceed e ea a a 31 Dece be 2017, ea e efe 5. U e f Ra ed P ceed f V. I e e de C a e V Ma age e D c a d A a P e a ed Acc da ce e D e c Reg a Sec e R e Re .

A a 31 Dece be 2017, e e ea a e 50,689 e ee f e G (31 Dece be 2016: 51,299 e ee) e PRC. F c f ee ee, ea e efe VII. E ee f e C a f C a e X I f a D ec , S e , Se Ma age e a d E ee Re . T e a aff c d g e Re g Pe d, c d g D ec ' e ea , c b e e e be ef c e e a d a e ce e c e e, a ed a a e RMB7,402.385 (2016: RMB5,925.685). F de a , ea e efe e IV. 55 C a e XIII F a ca Sa e e P e a ed Acc da ce CASBE Re .

T e G de a a d b a e e ee ba ed e, e f a ce, a fca , e e ce a d a e c d . T e a e ce e c e e ea ec g e e e c b f D ec a d c e e ee e G a d e a d e f e g- e ce. O e be ef c de c b eg e e a e c e e a d ' a ce a f e ee a a d C a. T e G eg a e e e ea ce , c d g D ec ' e ea a abe, a d e f aea ed ce e a d a e e ec a ba ed e e a g e f e G a d a e c d .

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The Chairman of the Board of Directors is elected by the General Meeting of Shareholders for a term of three years. The General Meeting of Shareholders may re-elect the Chairman of the Board of Directors for an unlimited number of terms. The Chairman of the Board of Directors is elected from among the members of the Board of Directors by the majority of votes of the total number of members of the Board of Directors.

The Chairman of the Board of Directors organizes the work of the Board of Directors, convenes meetings of the Board of Directors, presides at meetings of the Board of Directors and chairs the General Meeting of Shareholders.

The Chairman of the Board of Directors ensures the creation of conditions for the Board of Directors to perform its duties effectively and in the interests of the Company and its shareholders.

The Chairman of the Board of Directors ensures the implementation of the decisions of the General Meeting of Shareholders and the Board of Directors.

The Chairman of the Board of Directors ensures the effective interaction of the Board of Directors with the executive bodies of the Company, the Corporate Secretary, the Internal Audit Service, the Internal Control Service, the Risk Management Service, the Compliance Service, the Internal Audit Committee, the Remuneration Committee, the Nomination Committee, the Strategic Planning Committee, the Risk Management Committee, the Corporate Governance Committee, the Ethics Committee, the Committee for Interaction with Shareholders and Investors, the Committee for Interaction with Customers and Partners, the Committee for Interaction with Employees and the Committee for Interaction with Regulators.

The Chairman of the Board of Directors ensures the effective interaction of the Board of Directors with the shareholders of the Company, including the organization of the dialogue with shareholders on issues of the Company's development and the organization of the consideration by the Board of Directors of the shareholders' opinions on the Company's activities.

The Chairman of the Board of Directors ensures the effective interaction of the Board of Directors with the Company's auditor

ENERGY CHEMICAL AND LIQUID FOOD EQUIPMENT

能源、化工及液態食品裝備業務

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D, g e ea, f 2017, e S e, , C ee f e C a a e, f, ed a d d c a, ged d e a d , e b e c ce acc, da ce e, e e a , f e PRC C a La a d e A, ce f A ca .

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
T e 2 d ee g 2017 f e 8 e	2017.4.21	Z a g M g e L S e g X g B	1. P a ega d g ead e f e be fA a e be ed, e a ce ce, e ce dee a da ea d e e e f e ad e d f e e a d ea , a f e ge e a ee g; 2. P a ega d g e e ed a f e - b c a ce fA a e b ec a ; 3. P a ega d g efea b e , e e f ceed a ed f e - b c a ce fA a e b ec a (2017 a e d e); 4. P a ega d g e e , e e f ceed f e d a gac e b e C a ; 5. P a ega d g e ac f d f c e f c. 21 (.)18(a ed f e -8d A1c 0 0 42.52 0 4333 Td(5.)T /S a f)37(A a)18(e b ec f)T2017 5. e); .333 TDad e.89 -1. <</Ac .0 -1D 08Q c g de f e e c ee ed d f<FEFF0009 D e 8 2017.4.21 2017.4.21 H&			

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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
Te6 ee g 2017 f e 8 e (ead ee c fe e ce)	2017.8.28	Za gM g e L Se g ' X gB	1. P a ega d g e 2017 e e ; 2. P a ega d g e , f, a e a e f eC a f, ef, af f2017; 3. P a ega d ga g e e Acc ' gSa da d f, B e E e, e; 4. Re , f e e ac , , f, ef, af f2017.	Ad e, ee a a e, ega d g e 6 ee g 2017	.c f.c .c . .e e ..	2017.8.29
Te7 ee g 2017 f e8 e	2017.10.27	Za gM g e Wa gH g a X gB	Rega d g e , dw a e e, f2017	Ad e , d a e e, f2017	.c f.c .c www.hkexnews.hk	2017.10.28

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A e be, f e S e, C ee a e a e ded e, eg a, ee g c e ed b eB a dd, g e, e , g e d.

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Te S e, C ee f eC a c ce ' e f, d e acc, da ce e a cabe , f e PRC C a La a d e A, ce f A ca . D, g e ea, e e be, f e S e, C ee a e ded a b a d ee g . Te c d ced ' e ec e gad dec - a g , ced, e f e S a e de, ' ee g ad eB a d ee g, ea c a e e a f e, e ' a ed a e S a e de, ' ee g b eB a d a e a e dec - a g , ce a dd e e a , ce f eC a acc, da ce e a cabe a a d, eg a . Te S e, C ee c de, ed a, d, g e ea, eC a a ade a dec acc, da ce ega , ced, e a d e a c , e ' d. Te a e f e e a e f eD, ec , , e CEO a d, e de a e a e , a age e f eC a e, a ed eC a ' A, ce f A ca , e e de, e a e e e f eC a d, g e, ' a c , e f , , , a e e ab ed e, e, da age e e e fS a e de, e ee.

2. 3.

D, g e Yea, e S e, C ee a e a ed eC a ' b e a d f a ca ' a , a d ed e a ' a , e , a d e , e , ' a , e , e , a d e d d e ' b ed b eB a d. Te S e, C ee f e, e a e e f a ca a e e ' a d fa, , e, e e eC a ' f a ca a d e a a , e ' .

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Chapter VIII
Significant Events

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Whether the Company distributes or adjusts the cash dividend policy during the reporting period

✓Applicable □Not applicable

The Company has established the cash dividend policy in accordance with the Articles of Association of the Company. The Articles of Association of the Company stipulates that: the Company's profit distribution policy shall maintain continuity and stability, and the cash dividend distributed each year shall not be less than 30% of the distributable profit realized in the year. The Company's profit distribution plan shall be implemented after being considered and approved by the general meeting of the Company. The Articles of Association of the Company has been amended in accordance with the requirements of the relevant laws and regulations and the Articles of Association of the Company has been amended in accordance with the requirements of the relevant laws and regulations.

Whether the Company makes adjustments to the cash dividend policy during the reporting period

Applicable ✓Not applicable

Particulars of Cash Dividend Policy

Wa c a ce e e f eC a ' A ce fA ca a d e e f ege ea ee g:	Ye
Wa ed dd b c eaad e -def eda dcea:	Ye
Wa e eaeddec - a g ce a d ec a ace:	Ye
Dd de e de D ec f e d e a d a e e :	Ye
We e e S a e de g e e ffce ce e a d a e e e a d e e e ega e e f ec ed:	Ye
We ec d a d ced e ega a d a a e e ec f eca d de d c ad e c a ge :	Ye

The Company's profit distribution and capitalization from capital reserve (share conversion) during the Reporting Period:

- Dividend distribution for year 2017: based on the total share capital of the Company as at the end of 2017, a cash dividend of RMB2.70 (tax included) for every 10 shares. For the total share capital of 2,982,889,136 shares of the Company as at 31 December 2017, cash dividend of RMB805.380 million is proposed. The proposed dividend is subject to approval at the 2017 annual general meeting of the Company and will be distributed within the time limit specified by relevant laws and regulations.

- Dividend distribution for year 2016: based on the total share capital of the Company as at the end of 2016, a cash dividend of RMB0.6 (tax included) for every 10 shares, a total cash dividend of RMB179.837 was distributed.

- Dividend distribution for year 2015: based on the total share capital of the Company as at the end of 2015, a cash dividend of RMB2.20 (tax included) for every 10 shares, a total cash dividend of RMB654.822 was distributed.

Unit: RMB Yuan

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

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

☐ Applicable ✓ Not applicable

C a e VIII

✓ A cab e ☐ N a cab e

N be f b a e f e 10 a e (a e)	0
A fd de d f e 10 a e (RMB) (c d g a)	2.70
N be f a e c e ed f e 10 a e (a e)	0
Ba f a e ca a fd b a (a e)	2,982,889,136
T a ca d de d (RMB) (c d g a)	805,380,067
D b abe f (RMB a d)	2,189,653
% f ca d de d a f d b	100%

Description of cash dividend

W e e eC a de e g age b a a ca a e e d ,e a ,a ge e , ed de d d b ed e f , f ca a be e a 80% f e a , f d b e d b g f . W e e eC a a de e ed age b a a ca a e e d ,e a ,a ge e , e d de d d b ed e f , f ca a be e a 40% f e a , f d b e d b g f .

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

Ba ed e G ' 2017 e a ,e a d a g acc e G ' e a c d f f a ca a d ca f , e B a d ec e ded a f a d de d f RMB0.27 e a e (c d g a cab e a e) f , e ea f 2017. T e , ed d b a f , e f a d de d f 2017 b ec S a e de ' a , a a ea a ge e a ee g.

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✓ A cab e ☐ N a cab e

Commitment	Promisor	Contents of commitment	Date of commitment	Commitment period	implementation
O e c e ade S a e de f eC a	T eC a	I acc da ce e ee a ed a d e c e de a e egbe ' c a e f eg c d ec , , d e c e de ca d e HS a e f e C a f c e ega e d e ec a ge f g ca f c f e C a , e a e egbe ' b c be e a e f e C a ad e H a e , e e ea c , a da afe e a e fH a e f eC a , e a e c e ' be e a fe ed e a a d. T eC a , e d e c e de a bef e e a e fee ' c a e e ea c , eC a f a ceb e ea f a e .	2012/8/15	Bef ed e c e de a e fee b e ea c.	I ge
	T eC a	S a e de 'b ' e ' a (2016 2018)	2016/4/8	2016 2018	I ge
T ec e ' f ed Ye a e a e ,					

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☐ A cab e ✓ N a cab e

C a e VIII

☐ A cab e ✓ N a cab e

T e e a a , a f d f e ed C a f , - e a g , e b c , g S a e de a d e , e a ed a e d , g e Re , g Pe d.

☐ A cab e ✓ N a cab e

✓ A cab e ☐ N a cab e

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

A c de ed a da , l ed b e B a d a d e S e , C ee f e C a 28 A g 2017, e C a dec ded c a ge acc g c acc , da ce e e f e N ce I g e Re ed Acc g S a da d f , B e E e , e N . 16 G e e G a (Ca k a [2017] N . 15) a d e N ce I g e Acc g S a da d f , B e E e , e N . 42 N -c , e A e He d f , Sa e, D a G a d D c ed O e a (Ca k a [2017] N . 13), b ed b e M , f F a ce. T e c a ge ca e f ce 12 J e 2017 a d 28 Ma 2017, e ec l e , a , e a ed, eg a .

S b e e C a ge Acc g P c , (1) e C a ad e Acc g S a da d f , B e E e , e N . 16 G e e G a (Ca k a [2017] N . 15) . T eg e e ga , ea g e , d a ac e f e , e a be c ded e c e ba ed e a , e fec c b e ; eg e e ga , ea g e , d a ac e f e , e a be c ded - e a g c e a de e e . F , g e e ga a a 1 Ja a 2017, e , ec l e a ca e d a be a ed, a d f , e g e e ga c , ed f 1 Ja a 2017 e da e c e a da d ca e f , ce, ad e a be ade acc , d g e a da d . T e c a a l e f a ca a e e f , e ea f 2016 e e , e a ed. (2) e C a , ea e e Acc g S a da d f , B e E e , e N . 42 N -c , e A e He d f , Sa e, D a G a d D c ed O e a . T e c a ge acc g c a a e a ac e G ' f a ca a e e f , e ea f 2017. P ea e, efe e II. 33, e IV. 8, e IV. 42 a d e IV. 59 C a e XIII F a ca Sa e e P e a ed Acc da ce CASBE Re , f , de a .

☐ A cab e ✓ N a cab e

D , g e Re , g Pe d, e e e , e , ec l e , e a e e f g f ca acc g e , , c , ed e C a .

✓ A cable ☐ N a cable

P ea e, efe e V C a e, XIII F a ca Sa e e P, e a ed Acc , da ce CASBE a e
Re , f, e e, e e ge a d e e! c a e.

The firms of accountants engaged currently

T e e gaged f, f acc! a e a a d P, ce a e, ! eC e, Z gTa LLP	
Pa e f, e acc! a	RMB13,460,000 (c d g: e a d g fee a ! g RMB11,660,000 a d e a d g fee f, e e, a c , a ! g RMB1,800,000)
C ! g e, ce ea, f e acc! a	6 ea,
CPA f e acc! a	Z ! We, a , Ca Z fe g

Whether to appoint another accounting firm during the Reporting Period

☐ Ye ✓ N

T e C a dd c a ge a d , e, e a f e ea .

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

✓ A cable ☐ N a cable

D , g e Re , g Pe, d, e C a e gaged P, ce a e, ! eC e, Z gTa LLP a acc! g
f, f, e a c , a d a d g , e. T e a d g fee f, e a c , f, e ea 2017 e e
RMB1.80 .

☐ A cable ✓ N a cable

☐ A cable ✓ N a cable

D , g e Re , g Pe, d, e e e ba ! c , e, ga a , ea ed ! e f e C a .

☐ A cable ✓ N a cable

D , g e Re , g Pe, d, e e e a e, a a ! , a b , a f e C a

C a e VIII

☐ A cab e ✓ N a cab e

D g e Re g Pe d, e e e e a e e ede f e C a .

D g e Re g Pe d, e e a effec e dg e f e c fa ed be a fed b e C a ea e a ge a fdeb d ead a d g.

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I de e ab a d e e ce e-c a ec a , a d effec e c b e e e e

M e f e a e g a ed b e C a e ea a a 31 Dece be 2017 a e e a be :

	Number of underlying shares comprised in A share options								
	Date of grant	Balance as at 1 January 2017 (share)	Exercisable during the year (share)	Transferred to/from other categories during the year (share)	Granted during the year	Exercised during the year (share)	Lapsed during the year (share)	Balance as at 31 December 2017 (share)	Exercise price per share (RMB)	Exercise period
D ec Ma B a g	2010.9.28	2,850,000	2,850,000					2,850,000	10.49	2015.6.2 2020.9.27
O e e a age e (T a)	2010.9.28	5,662,000	5,662,000 (N e)	(351,250)				5,310,750	10.49	2015.6.2 2020.9.27
O e e ee	2010.9.28	13,051,890	13,051,890 (N e)	351,250		3,821,050		9,582,090	10.49	2015.6.2 2020.9.27
	2011.9.22	3,665,650	3,665,650			491,100		3,174,550	16.02	2015.10.24 2020.9.27
T a		25,229,540	25,229,540			4,312,150		20,917,390		

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Case VIII

During the 2009 Exercise Period and the 2011 Exercise Period, 1,384,000 options were granted to the 2014 Exercise Period. The above table sets out the changes in the share options granted under the Share Option Scheme of CIMC Enric for the year ended 31 December 2017:

		Number of underlying shares comprised in share options							
	Date of Grant	Balance as at 1 January 2017	Granted during the year	Exercised during the year	Transferred to/from other categories during the year	Lapsed during the year	Balance as at 31 December 2017	Exercise price per share HK$	Exercise period
Directors of CIMC Enric									
Ga Xag	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
Yag Xa	2009.11.11	164,000					164,000	4.00	2010.11.11-2019.11.10
	2011.10.28	200,000					200,000	2.48	2013.10.28-2021.10.27
	2014.06.05	400,000					400,000	11.24	2016.06.05-2024.06.04
J Jag	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
[illegible]	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
J Yge g	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
W gC H	2009.11.11	500,000					500,000	4.00	2010.11.11-2019.11.10
	2011.10.28	300,000					300,000	2.48	2013.10.28-2021.10.27
	2014.06.05	300,000					300,000	11.24	2016.06.05-2024.06.04

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

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U : RMB a d

Related party	Relationship with the Group	Type of the connected transaction	Details of the connected transaction	Pricing principle	Price

Related party	Relationship with the Group	Type of the connected transaction	Details of the connected transaction	Pricing principle	Price	Amount	Proportion to transaction amount of the same category	Approved Cap	Whether approved cap has been exceeded	Settlement Method	Available market price of the same transaction category	Disclosure Date	Disclosure index
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		372,760						2016.11.12	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		171,003						2016.11.12	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		108,475							
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		78,943							

C a e VIII

(2)

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☐ A cab e ✓ N a cab e

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W e e eeae - ea gca ad ab e a g ec ec ed a ac

☐ Ye ✓ N

Claims receivable from the related party

U : RMB ad

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
Ze agCIMC Ebe Rea EaeC.,LTD	A caedc a f eG	Oea gb g b Sae de a ea	N	824,391		496,601		3,460	331,250
Sa gaFe gagRea EaeDee e C.,Ld.	A caedc a f eG	Oea gb g b Sae de a ea	N	34,204					34,204
Na gNe Aa c F e Id , Ld.	A caedc a f eG	Oea gb g b Sae de	N	10,629	2,266			918	13,813
X agW dH g K gC.,Ld.	A caedc a f eG	Oea gb g b Sae de a ea	N	4,361		286			4,075
Sa gaX BaQ Ve ceC.,Ld.	J e e fe G	Oea gb g b Sae de	N		12,300			108	12,408
Oe eaed a e									
Effec fca a g ec ec ed a ac e ea ge ad fa ca f eC a			N						

Liabilities payable to the related party

Unit: RMB

(2)

The Framework Agreement on Mutual Provision of Financial Services dated 11 November 2016 between China COSCO Shipping Corporation Limited (for itself and on behalf of its subsidiaries, collectively, the COSCO SHIPPING Development Group) and COSCO SHIPPING Development Co., Ltd. (for itself and on behalf of its subsidiaries, collectively, the COSCO SHIPPING Development Group) and the transactions contemplated thereunder, which will expire on 31 December 2017, 2018 and 2019.

1) Principal terms of the Framework Agreement:

Principle of pricing: The interest rate or fee for the deposit services provided by the COSCO SHIPPING Development Group to the COSCO SHIPPING Group shall be determined according to the following principles: (a) the interest rate for deposits shall be determined through negotiation between the parties with reference to the benchmark interest rate for deposits published by the People's Bank of China from time to time; (b) the interest rate for deposits shall be no less than the interest rate (or the minimum interest rate) for deposits of the same type and of the same duration offered by the COSCO SHIPPING Development Group to other members of the COSCO SHIPPING Group; and (c) the interest rate for deposits shall be no less than the interest rate for deposits of the same type and of the same duration offered by independent commercial banks to the COSCO SHIPPING Group. The fees for the settlement services provided by the COSCO SHIPPING Development Group to the COSCO SHIPPING Group shall be no higher than the fees charged by independent commercial banks for the provision of the same type of settlement services.

Term: The agreement shall become effective from 1 January 2017 to 31 December 2019 (both dates inclusive). During the term of the agreement, each party to the agreement may apply to renew the agreement upon expiry of the agreement.

2) Transactions in 2017:

In 2017, each of the maximum daily balance of deposits (including accrued interests thereon) placed by the COSCO SHIPPING Group with the COSCO SHIPPING Development Group and the credit facility granted by the COSCO SHIPPING Development Group to the COSCO SHIPPING Group will not exceed the annual cap as set out in the Framework Agreement.

The reasons for the above continuing connected transactions and the benefits to the Company: (1) The continuing connected transactions are entered into in the ordinary and usual course of business. During the course of operation, the Company needs to maintain a certain amount of deposits for daily operation and transactions. In addition, the Company also needs to obtain credit facilities from financial institutions to meet its capital requirements. In 2016, the Framework Agreement was entered into, the Company's operation was affected by the global economic crisis to a certain extent. (2) The global economic crisis in 2017 has not yet ended. The Company will continue to face challenges from the global economic crisis. The Company will continue to adopt prudent financial policies to control its financial risks. As the Company's operation is capital-intensive, the Company's

C a e VIII

a d -de a d c d f e c a e a fac , e a . e . Aga bac d , COSCO SHIPPING G ' , C , e e f c a e f e G g e d a a ca ; a d ( ) T e c ec a d e e f e , ca , a ac f , a f e C g C ec ed T a ac be ee e G a d b da e . a a ge a f ea d g a a , ec , ded Dece be 2017, e ef , e, e C a d d f d a e c g c ec ed , a ac de e F a e , . Ag ee e f , 2017 ad e ceeded e a a ca f , 2017 d , g e , e a a f Re , .

T e ee g 2018 f e e g e f e B a d f e C a c de ed a d a , l ed e Re f , , a f g e e ec f , d a , e a ed- a , a ac /c g c ec ed , a ac COSCO SHIPPING De e e C ., L d. 2017 . I a ag eed , a f e ac a

4) De c f e c ec ed (ea ed) ea be ee e a e e a ac :

COSCO SHIPPING De e e d g c a f L g H l e e L ed (**Long Honour**) a d COSCO C a e I d e L ed (**COSCO Container Industries**) (d g a a f 432,171,843 A S a e a d 245,842,181 H S a e , acc g f 22.73% f e a a e ca a f e C a a a e e d f e Re g Pe d). T e ef e, COSCO SHIPPING De e e a d b d a e a e ega ded a c ec ed a e f e C a f e e f C a e 14A f e H g K g L g R e . T e a ac c e a ed de e F a e . Agee e e e ed be ee e G a d COSCO SHIPPING De e e G c e c g c ec ed a ac f e C a de C a e 14A f e H g K g L g R e . F a e S e e L g R e , COSCO SHIPPING De e e a d e C a a e ea ed a e eac e a d e ef e a ac be ee COSCO SHIPPING De e e G a d e G c e d a ea ed- a a ac .

5) F e f e a ac :

COSCO SHIPPING De e e G c a e gaged l d g ega ed f a ca e ce d e fed ea g e e c a l e ea g c a e ea g a d - g f a ce ea g a d a d a e d' age c a e ea g e . G e e g- e ea be ee e G a d COSCO SHIPPING De e e a d b d a e c a e , e e ed D ec (c d g e de e de -e ed l e D ec) c de a be ef ca f e G c e a e e c g ec ed a ac c fac a e e e a a d g f e G ' a b e . T e e ed D ec (c d g e de e de - e ec l e D ec) c de a e e f e F a e . Agee e e ec f ec g c ec ed a ac (c d g e ed a ca) a e fa a d ea abe, e c g c ec ed a ac (c d g e ed e ea a ca) a e a c e ca e be e a d e d a a d a c e f e G a da e e e f e C a a d e S a e de a a e.

6) F e e g e g e e a c a ega d g c g c ec ed a ac :

C de g a e ac a a ac a e ceeded e f eca ed 2017, e G a e ab ed a e e f ea e a d ce , c d g c ac a age e ce , c ec ed a ac a age e ea e a d e a c a age e ea e , de e e a e c g c ec ed a ac a e c d c ed acc da ce e c d a e f a e . ag ee e . T e C a ' a d g a d g de a e c d c c ed ed e a a e e e e a c ea e f e C a , e e a e e a c ea e e ec f ec g c ec ed a ac e a c e ea d effec e. T e C a ' e e a a d c c d c a a a a d e C a ' e a c ea e , a d a a a e e c g c ec ed a ac c d c ed de e F a e . Agee e e a e e e de e H g K g L g R e . T e G f e e a ce e g f ec g c ec ed a ac , c d c e f e e c ec. a d l e e e g a d d d e a e f e G . T e G eg a e COSCO SHIPPING De e e f b g e a e ead f a e e a e ega d g e c g c ec ed a ac / d a ea ed- a a ac f e c ec. f e a ac a l ed e e .

7) I de e de -e ec ۔ e D ec ، ' c f، a :

I ،e a e c ' g c ec ed ،a ac / ،d a، ،e a ed-،a ac be ee e G، ' a d COSCO SHIPPING D¢ e e a d ' b da، e a da caedc a e c، g e Re ، g Pe، d, e de e de -e ec ۔ e D ec ، f e C a ¢ e، ¢ e ed a dc f، ed a :

- T e، a ac e ed ab۔ e ¢ a e e، e، ' e f e، e¢ a a d، eg a a e a eA، ce f A ca ، ¢ a e bee c d c ed a fa، ، e a d ' ba a d ¢ a e bee ¢ d ed ، g ، e¢ a ، ced، e ،a d ac ¢ a e bee f ' d c ¢ a e de، e a e e، e f e C a a d e S ¢ a e de، ، e e ca e ، S ¢ a e de، ;
- T e، a ac e ed ab۔ e ¢ a e bee e e، ed e، d a a d ' a c ' ، e f ' b e f e C a ;
- T e، a ac e ed ab۔ e ¢ a e bee e e، ed ، a c e، c a e، ، be e، ; a d
- T e، a ac e ed ab۔ e ¢ a e bee e e، ed acc، da ce e e، f ، e¢ a ag، ee e g۔ e، g e a d e، a ¢ a e fa، a d، ea ab e a d e e، e f e a ¢ e de، f e C a a a e.

8) Ad ، ' c f، a :

I c a ce e، e ' e e f ec 14A.56 f e H g K g L g R e ، e ¢ a d ، f e C a ¢ e ' ed a ¢ a fed c c e c ' g c ec ed ،a ac e ed ab۔ e ¢ a d ¢ ec f، ed e B ¢ a d b c ،، e de ce ،e a e a :

- N g a c e ¢ d ، ' a e a c¢ e e be ¢ ¢ e a e c ' g c ec ed ،a ac e ed ab۔ e ¢ a e bee a ،۔ ed b e B ¢ a d;
- I ،e a e ،a ac ،ega d g ،۔ f c d e ، e¢ ce b e G، ' , g a c e ¢ d ، ' a e a c¢ e e be ¢ ¢ e a e c ' g c ec ed ،a ac e ed ab۔ e e، e , a a e، a ،e c , acc ،da ce e ،c g ce f e G، ' ;
- N g a c e ¢ d ، ' a e a c¢ e e be ¢ ¢ e a e c ' g c ec ed ،a ac e ed ab۔ e e، e e e، ed , a a e، a ،e c , acc ،da ce e ag، ee e ،e a ' c ،a ac ; a d
- F، e ea e ded 31 Dece be، 2017, e a a ' f c ' g c ec ed ،a ac e ed ab۔ e a RMB785,052,000, e ceed g e a ' a ca f RMB450,000,000 f، ' c ،a ac a d c ed b e C a e a ' ce e da ed 11 N۔ e be، 2016.

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C a e VIII

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☐ A cab e ✓ N a cab e

D g e Re g Pe d, e e a ee f e C a ge e a g a f c c d ed 10% e f e a f f e C a d g e Re g Pe d.

(2)

☐ A cab e ✓ N a cab e

D g e Re g Pe d, e e a c ac g f e C a ge e a g a f c c d ed 10% e f e a f f e C a d g e Re g Pe d.

(3)

☐ A cab e ✓ N a cab e

D g e Re g Pe d, e e a ea g f e C a ge e a g a f c c d ed 10% e f e a f f e C a d g e Re g Pe d.

2.

✓ A cab e ☐ N a cab e

(1)

Unit: RMB

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
[illegible]	2017.3.28	2,650,000	2017.1.1	820,271	[illegible]	1-2 years	N	N
[illegible]	2017.3.28	1,600,000	2017.1.1	339,442	[illegible]	1-2 years	N	N
[illegible]	2017.3.28	740,000	2017.1.1	627,323	[illegible]	1-2 years	N	N
[illegible]	2017.3.28	382,000	2017.1.1	258,646	[illegible]	1-2 years	N	N
[illegible]				1,122,000	[illegible]			885,969
[illegible]				5,372,000	[illegible]			2,045,682

The Company's guarantees for subsidiaries

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

Subsidiaries' guarantees for subsidiaries

Name of the guaranteed	Disclosure date of the announcement about guarantee facilities	Guarantee facilities	Actual date (date of the agreement)	Actual amount of guarantee	Type of guarantee	Guarantee period	Fulfilled or not	Related Party Guarantee or not
[illegible]	2017.3.28	12,573,650	2017.1.1	4,307,420	[illegible]	1-2 years	N	N
[illegible]				6,731,980	[illegible]			269,960
[illegible]				12,573,650	[illegible]			4,307,420

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

[illegible]				43,505,510	[illegible]			12,894,719
[illegible]				72,118,220	[illegible]			36,147,662

C a e VIII

(2)

☐ A cab e ✓ N a cab e

3. A

(1)

☐ A cab e ✓ N a cab e

(2)

✓ A cab e ☐ N a cab e

Entrusted Loans During the Reporting Period

U : RMB a d

Total amount of entrusted loans	Source of funds for entrusted loans	Remaining balance not yet due	The amount due but not recovered
	Se f- ed f d	3,249	

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

N

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

☐ A cab e ✓ N a cab e

4.

☐ A cab e ✓ N a cab e

A

1.

☐ A cab e ✓ N a cab e

D g e Re g e d, e C a dd e gage a ec e e -a e a ac a d ad f a f ec e e a e a .

2.

The Company and its subsidiaries Shanghai CIMC Reefer Trading Co., Ltd., Shenzhen CIMC Reefer Trading Co., Ltd., Shenzhen CIMC Reefer Manufacturing Co., Ltd. and Yantai CIMC Reefer Manufacturing Co., Ltd. are key pollutant discharge units announced by the environmental protection authorities.

We actively implement and maintain the effective operation of environmental management system, and conduct environmental impact assessment for construction projects.

✓Yes ☐No ☐Not Applicable

Name of Company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	P55lutant emission standards in effect	Total emission	Approved total emission	Excessive emission
Shenzhen CIMC Reefer Manufacturing Co., Ltd.	VOC/Non-methane hydrocarbon	Concentrated discharge	17	Located in the Industrial Zone of Pingshan New District	Total VOC: 4.57 g/m³ Non-methane hydrocarbon: 0.08 g/m³ benzene: 0.039 g/m³ (Average from January to December 2017)	Total VOC: 90 g/m³ Non-methane hydrocarbon: 20 g/m³ benzene: 1 g/m³ The Standard for Volatile Organic Compound Emissions of Coating Process in Container Manufacturing Industry (廣東省集裝箱製造業揮發性有機物排放標準)	VOC 121.2656 (calculated based on actual production)	VOC 121.2656 (calculated based on actual production)	N
Nanjing CIMC Special Container Co., Ltd. (Formerly known as CIMC Special Container Co., Ltd.)	Particulate matter	Irregular	3+6	Industrial Zone	Average 2.87 g/m³	Integrated Emission Standard of Air Pollutants (GB16297-1996)		2.68	N
	Methylbenzene (total)		3+6	Industrial Zone	Average 2.639 g/m³			13.85	N
	Xylene (total)				Average 0.7936 g/m³			24.51	N
	Non-methane hydrocarbon				Average 19.902 g/m³			71.78	N
	VOC				0.0513	Surface coating standard table 2 in DB12524-2014 Table Coating Standard Emission Limit Value			

Chapter VIII

Name of Company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission	Approved total emission	Excessive emission
SOE	Wa e ae	E c , aed e eage c ec e .	1				45000	45360 /a	N
	COD(g/)	E c , aed e eage c ec e .	1		91	500	4.095	4.534 /a	N
	NH3-N(g/)	E c , aed e eage c ec e .	1		7.04	45	0.2	0.2 /a	N
	Pa c ae a e	C ce , aed e	1		7.8 g/ 3	120 g/ 3			
	Me be e e	C ce , aed e	1		0.46 g/ 3	40 g/ 3			
	X e e	C ce , aed e	1		0.34 g/ 3	70 g/ 3			
S e CIMC-Ta da A , S C., e a f d g a , be e e c ge e , TVOC , e be e e, a c ae ae	E a , a - a , Afe c ec , ea e ecfcac aed cab , fe ad e g 15- e,e a e a e	3	S c , e ed g , a .	Be e ec ge e : 0.102-70.147, f e be e e ad e e:6.74-10.6 g/ 3 ; a VOC : 13-21.6 g/ 3 ; a c ae a e: 4.37-4.62 g/ 3	Sec d a da d de e II f DB44/21-2001, E Sa da d fV a e O ga c C d f , face c a g(e ce a fac , g d ,)	Be e e:76.2 g/ ea, f e be e e ad e e: 5512 g/ ea, TVOC : 9934.8 g/ ea, Pa c ae a e: 2782 g/ ea,	1,528 a da d bc e e/ ea (a a e ga e de e e age e)	E e e c a ce a da d
	Sa d ge a a d cea g e a a c ae a e	D f a d ea a a - e d e a , ce gbag fe ad e g 15- e,e a e a e	5	S c , e ed g , a .	3.52-9.15 g/ 3	DB44/21-2001 e II Sa da d Le e 2	Pa c ae a e: 1212 g/ ea		E e e c a ce a da d
	e f , ca ee	Afe f g , g e a e f D d g , ea e a c , fe, a de e a g a de	1	T f e ca ee (f3- , e D d g)	R ee c ce , a :0.6-0.7 g/ 3	DB44/21-2001 e II Sa da d Le e 2	26.3 g/ ea		E e e c a ce a da d
	E a f, bac ge ea ,	Te ge ea , e 0# g de e a e.Ga c D bee eda g a de afe, ae, ba d e a , ce .	1	Bac ge ea , e e g f e ffce D d g	R ge a e a ce<1	DB44/21-2001 e II Sa da d Le e 2	R ge a e a ce<1		E e e c a ce a da d

Construction and operation of pollution prevention and control facilities

Name of subsidiary	Construction and operation of pollution prevention and control facilities
Sichuan Shuangma Cement Co., Ltd.	Established a wastewater treatment station with a capacity of 1,200 m³/day, using a process of coagulation + hydrolysis + aerobic + UV sterilization. Construction completed and put into operation. Established a wastewater treatment station with a capacity of 1,200 m³/day, using a process of Fenton oxidation + UASB + MBR membrane filtration. After being treated, the wastewater is reused for production and domestic purposes. Construction completed and put into operation.
Nanjing CIMC-Sinoma Technology Co., Ltd.	During the reporting period, no pollution prevention and control facilities were invested in. The company's wastewater is discharged into the municipal sewage treatment plant after pretreatment. Sinoma Technology Co., Ltd. has established a wastewater treatment station with a capacity of 1,200 m³/day, using a process of coagulation + hydrolysis + aerobic + anoxic + aerobic + membrane filtration. The wastewater is reused for production and domestic purposes after being treated by the wastewater treatment station of Sinoma Technology Co., Ltd.
CIMC Vehicles (Group) Co., Ltd.	The company has established a wastewater treatment station with a capacity of 5 m³/h, and has established a wastewater treatment station with a capacity of 7 m³/h. The wastewater is reused for production and domestic purposes after being treated by the wastewater treatment station. The total wastewater discharge is 450,000 m³/a. The wastewater is discharged into the municipal sewage treatment plant.
Nanjing CIMC Tank Equipment Co., Ltd.	Pollution prevention and control facilities invested in during the reporting period: Nanjing Tank Equipment Co., Ltd. has established a wastewater treatment station with a capacity of 1,200 m³/day, using a process of coagulation + hydrolysis + aerobic + anoxic + aerobic + membrane filtration. The wastewater is reused for production and domestic purposes after being treated by the wastewater treatment station.
SOE	The company has established a wastewater treatment station with a capacity of 1,200 m³/day since 2008. The COD concentration of the wastewater discharged from the company's wastewater treatment station has been lower than 2,000 mg/L since 2012, and the COD concentration of the wastewater discharged from the company's wastewater treatment station has been lower than 500 mg/L since 2008. The wastewater is reused for production and domestic purposes after being treated by the wastewater treatment station. Solid waste is disposed of by qualified companies.
Shenzhen CIMC-Tianda Airport Support Ltd.	Established one wastewater treatment station with a capacity of 1,200 m³/day, one with a capacity of 600 m³/day and one with a capacity of 300 m³/day. The wastewater is reused for production and domestic purposes after being treated by the wastewater treatment station. Established one oil separator with a capacity of 30 m³/h. The facilities operate normally. Established a wastewater treatment station with a capacity of 600 m³/day. The facilities operate normally. Established a wastewater treatment station with a capacity of 1,200 m³/day. The facilities operate normally. Established one oil separator with a capacity of 30 m³/h. The facilities operate normally. Established a wastewater treatment station with a capacity of 600 m³/day. The facilities operate normally. Established a wastewater treatment station with a capacity of 1,200 m³/day. The facilities operate normally. Established one oil separator with a capacity of 30 m³/h. The facilities operate normally.

Contingency plans for unexpected environment-related events

Some CIMC, Some CIMC Security Service Co., Ltd. and other subsidiaries of CIMC have established contingency plans for unexpected environment-related events and have carried out relevant drills.

Self-monitoring environmental program

Some CIMC, Nanjing CIMC, CIMC Tianda and other subsidiaries of CIMC have engaged third-party environmental agencies to conduct monitoring and inspection.

Other discloseable environmental information

None

Other environment-related information

None

Whether the Company publishes social responsibility report

✓Yes ☐No

Social responsibility report					
Nature of the Company	Whether includes information on environment	Whether includes information on society	Whether includes information on corporate governance	Report disclosure standards	
				Description	Frequency
Other	Yes	Yes	Yes	GSRI-CHINA2.0 and the Environmental, Social and Governance Reporting Guide contained in Appendix 27 to the Hong Kong Listing Rules	GRI

Case VIII

Detailed description:

1. Were the Company and relevant environmental management certification (ISO 14001)	As of 28 February 2018, the Company and relevant environmental management certification (ISO 14001)
2. Total amount of the Company and relevant environmental (RMB'0	540,000
3. The Company's environmental management, and	Case regulation: after the adjustment for water-based and solvent-based VOC emissions reduced by 60-70%; increased the proportion of clean energy such as natural gas;

A A

1. O 7 A , 2017, C a Me c a P , H d g C a L ed, a b d a f C a Me c a G , a fe ed a a e f - ed b d a S a e L ed (d ec d a e f e C a , g b d a C a Me c a (CIMC) l e e) a e b d a f C a Me c a , C a Me c a I d , H d g C a L ed (China Merchants Industry Holdings).

5. O 12 Ma c 2018, c de a a e ff ee g f ee g e f e B a d 2018, e a ce f H S a e a e C a e d e acc d g e Re g a g e B a d a ge e a a da e a de a e, ea g e e f a e c de ed a da , ed a e 2016 a a ge e a ee g c ed 9 e 2017 a a , ed. F , ee a f , a , ea e, efe, e a ce e b ed b e C a C a Sec , e J , a, S a g a Sec , e Ne , Sec , e T e, C f eb e(.c f.c .c), e C a ' eb e(. c c.c) (A ce e N .: [CIMC]2018-015) a d e a ce e b ed e eb e f e H g K g S c. E c a ge(. e e .) 12 Ma c 2018.

A A A A

1. O 5 2017, E c S e e , SOE a d SOE Ba . c a d da Tea e e ed , e a ag ee e , c a e e a , a e f SOE , g a , g e e , e e e . O 4 A g 2017, e SOE Re , c , g Pa a a , ed a e c ed , ' ee g f SOE a d a , ed b e c , . O 16 A g 2017, SOE a bec e a d ec - ed b d a f CIMC E , c a d a d ec - ed b d a f e G . F , de a , ea e, efe, e a ce e d c ed b e C a C a Sec , e J , a, S a g a Sec , e Ne , Sec , e T e, C f eb e(.c f.c .c) a d e C a ' eb e(.c c.c) (A ce e N .:[CIMC]2017-036, [CIMC]2017-047 a d [CIMC]2017-054) a d e a ce e b ed e eb e f e H g K g S c. E c a ge(. e e .) 6 2017, 4 A g 2017 a d 16 A g 2017.

2. O 17 2017, C , Ga de a d CIMC S. ace Rea E a e e ed a ag ee e , a c C , Ga de ec ed a a f RMB926,322,300 e ca a f CIMC S. ace Rea E a e. Af e, ec e f e ca a ec , C , Ga de e d 25% f e e CIMC S. ace Rea E a e, e e C a e d 61.5% e e CIMC S. ace Rea E a e d ec . F , ee a f , a , ea e, efe, e a ce e d c ed C a Sec , e J , a, S a g a Sec , e Ne , Sec , e T e, C f eb e(.c f.c .c), e C a ' eb e(.c c.c) (A ce e N .: [CIMC]2017-040) a d e eb e f e H g K g S c. E c a ge(. e e .) 17 2017.

3. O 3 A g 2017, S e CIMC a d C a Me c a S e. e ed a ag ee e , a c S e CIMC , e , e P ce Ba La d C a Me c a S e. , a d C a Me c a S e. a a e a , a ed a e f RMB494,894,588 a c e a . T a ac a bee a , ed a d a ed a e f, e , a , d a ge e a ee g f e C a 2017 c e ed 26 Se e be 2017. F , ee a f , a , ea e, efe, e a ce e d c ed b e C a C a Sec , e J , a, S a g a Sec , e Ne , Sec , e T e, C f eb e(.c f.c . c), e C a ' eb e(.c c.c) (A ce e N .: [CIMC]2017-045 a d [CIMC]2017-067) a d e a ce e a d e ce f ge e, a ee g b ed e eb e f e H g K g S c. E c a ge(. e e .) 3 A g 2017 a d 26 Se e be 2017.

4.

C a e VIII

8. O 12 Ma c 2018, CIMC T a a , S g (H g K g) L ed (Shouzhong (Hong Kong))

C a e IX

☒A cab e A c4.4985

Approval for changes in share capital

☐ A cab ea fe a e ca a

2.

✓ Applicable ☐ Not applicable

Unit: Share

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

A

1.

☐ Applicable ✓ Not applicable

2.

A

✓ Applicable ☐ Not applicable

During the Reporting Period, a aggregate of 4,312,150 ares were repurchased by the Bank (the "A Share Repurchase"). Please refer to the Announcement on the A Share Repurchase Plan and Announcement on the Progress of the A Share Repurchase Plan disclosed by the Bank on the website of the Stock Exchange of Hong Kong Limited and the website of the Bank.

3.

☐ Applicable ✓ Not applicable

4. A

On 8 April 2016, the Board considered and approved the proposal in relation to the non-public issuance of A Shares by the Bank in 2016, pursuant to which the Bank proposed to issue not more than 386,263,593 A Shares (including 386,263,593 shares) at a price of not less than RMB13.86 per share, to not more than 10 qualified investors (including the Bank's controlling shareholder, actual controller and their related parties) in cash by way of non-public issuance (the "Non-public Issuance of A Shares"). The Non-public Issuance of A Shares was considered and approved at the 2015 annual general meeting, the first A Share class meeting of 2016 and the first H Share class meeting of 2016 held by the Bank on 31 May 2016. The Bank submitted the application materials for the Non-public Issuance of A Shares to the CSRC on 30 September 2016 and received the CSRC's Acceptance Notice for Administrative Licensing Project (《中國證監會行政許可申請受理通知書》(162937號)) and the Notice regarding the Feedback on Review of Administrative Licensing Project (《中國證監會行政許可項目審查反饋意見通知書》(162937號)) issued by the CSRC on 14 October 2016 and 21 November 2016. Considering that the relevant feedback required supplementation, the Bank submitted the relevant feedback to the CSRC on 17 January 2017. Upon consideration and approval at the 2016 annual general meeting, the first A Share class meeting of 2017 and the first H Share class meeting of 2017 held on 9 June 2017, the Bank submitted the Notice of Offering of A Shares and Plan for Use of Proceeds from Previous Fund Raising Activities to the CSRC. The Bank received the CSRC's Notice Regarding Resumption of Review of Administrative Licensing Project (《中國證監會行政許可申請恢復審查通知書》(162937號)) issued by the CSRC on 18 December 2017, indicating that the CSRC decided to resume the review of the Non-public Issuance of A Shares by the Bank. On 11 January 2018, the Bank disclosed the Announcement on Resumption of Review of Non-public Issuance of A Shares.

a e e e ega d g e e a ed b e Feedbac a d d c ed. O 9 Ma c 2018, a a bee a ea ce e C a ea ed e a ce e ea e a f e N - b c Offe g f AS a e, a be f c a ge ace e ca a a e, d e e ad e a ce e a f e e e de e g a e e ec f a ced b d a g a bee b a a c e ed. Af e e ea ed de a d d c e e a e ed a e, a d c de a a da a e f ee g 2018 f e eg e f e B a d f e C a , e C a a de e ed e a e e N - b c l a ce f AS a e a d a e CSRC f e d a a f e a a ca d c e . O 23 Ma c 2018, e C a ece ed e N ce Re a Te a f Re e * (N . [2018]119) (《終止審查通知書》) ([2018]119號) b e CSRC, a g e e a f e e e N - b c l a ce f AS a e . F e a f a , ea e efe e a ce e (A ce e N .: [CIMC] 2016-018, [CIMC] 2016-033, [CIMC] 2016-061, [CIMC] 2016-072, [CIMC] 2017-002, [CIMC]2017-024, [CIMC]2017-033, [CIMC]2017-084, [CIMC]2018-002, [CIMC]2018-013 a d [CIMC]2018-021) b ed C a Sec e J a, S a g a Sec e Ne , Sec e T e, C f eb e(.c f .c .c) a d e C a ' eb e(.c c.c) a d e a ce e b ed e eb e f e H g K g S c E c a ge(. e e .) 9 A 2016, 1 e 2016, 15 Oc be 2016, 22 N e be 2016, 17 Ja a 2017, 21 A 2017, 9 e 2017, 19 Dece be 2017, 11 Ja a 2018, 9 Ma c 2018 a d 26 Ma c 2018. A a e da e f e e , e N - b c l a ce f AS a e Pa a e a ed.

A A A

1.

T e a be f S a e de f e C a a a 31 Dece be 2017 a 71,384, c d g 71,371 de f AS a e a d 13 eg e ed de f H S a e . T e a be f S a e de f e C a a a 28 Feb a 2018 (be g e e d f e e b ca da e f e 2017 a a e f e C a) a 76,311 c d g 76,298 de f AS a e a d 13 eg e ed de f H S a e .

C a e IX

U : S a e

T a d a S a e de a e e d f e Re g Pe d	71,371	T a d a S a e de a e e d f e e b ca da e fa a e	76,311

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 N ee L ed (N e 1)	F eg ega e	58.02%	1,730,538,352	79,225,281		1,730,538,352		
COSCO C a e d e L ed (N e 2)	F eg ega e	14.49%	432,171,843	0		432,171,843		
C a Sec e F ace C a L ed	Sae- ed ega e	2.61%	77,885,620				Sae- ed ega e	0

67333 TdlCBC C8( )1d S e eed(37(Age (Na)1 Ba ed]]TJ 0.765 -1.333

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 (Note 1)	1,716,411,609	Overseas listed foreign shares	1,716,411,609
	14,126,743	RMB-denominated ordinary shares	14,126,743
COSCO Capital Limited (Note 2)	432,171,843	RMB-denominated ordinary shares	432,171,843
China Securities Finance Corporation Limited	77,885,620	RMB-denominated ordinary shares	77,885,620
Central Huijin Asset Management Ltd.	37,993,800	RMB-denominated ordinary shares	37,993,800
National Social Security Fund 413	9,999,839	RMB-denominated ordinary shares	9,999,839
ICBC Credit Suisse Fund – Agricultural Bank – ICBC Credit Suisse Asset Management Flexible Allocation	9,566,600	RMB-denominated ordinary shares	9,566,600
Zhongou Fund – Agricultural Bank – Zhongou China Securities Asset Management Flexible Allocation	9,566,600	RMB-denominated ordinary shares	9,566,600
Bosera Fund – Agricultural Bank – Bosera China Securities Asset Management Flexible Allocation	9,566,600	RMB-denominated ordinary shares	9,566,600
Dacheng Fund – Agricultural Bank – Dacheng China Securities Asset Management Flexible Allocation	9,566,600	RMB-denominated ordinary shares	9,566,600
Harvest Fund – Agricultural Bank – Harvest China Securities Asset Management Flexible Allocation	9,566,600	RMB-denominated ordinary shares	9,566,600
Explanation on connected relationship or concerted action among the above shareholders	Unknown		
Explanation on the above shareholders involved in entrusted/entrusted voting rights and waiver of voting rights	None		

Note 1: As at 31 December 2017, HKSCC Nominees Limited held 1,730,538,352 shares of the Company, including 14,126,743 A shares and 1,716,411,609 H shares. The H shares were held on behalf of various clients (non-registered) by HKSCC Nominees Limited, including 732,726,617 H shares held by China Merchants Group Limited and its subsidiaries (including China Merchants Holdings (International) Company Limited and its subsidiaries), 245,842,181 H shares held by China COSCO Shipping Corporation Limited (**China COSCO Shipping**) and its subsidiaries (including 25,322,106 H shares held by Long Haul Holdings Limited and 220,520,075 H shares held by COSCO Capital Limited).

Note 2: As at 31 December 2017, COSCO Capital Limited held 220,520,075 H shares of the Company, which were included in the shares held by HKSCC Nominees Limited (see Note 1 above) and 432,171,843 A shares of the Company.

There was no connected relationship among the top ten shareholders and the top ten shareholders without selling restrictions, or between the top ten shareholders without selling restrictions, nor was any of them a person acting in concert as stipulated in the Administrative Measures for Information Disclosure on Changes in Shareholdings of Shareholders of Listed Companies.

2.

☐ A cab e ✓ N a cab e

T e e c g S a e de e C a . D g e Re g Pe d, e e a c a ge.

3.

☐ A cab e ✓ N a cab e

T e e de fac c e e C a . D g e Re g Pe d, e e a c a ge.

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

✓ Ye ☐ N

Name of the corporate Shareholder	Legal representative/ Company leader	Date of establishment	Registered capital	Main business or management activities
C a Me c a (CIMC) I e e L ed	Wa g C , H Xa	17 Ja a 1995	HK$10,000	I e e , a e d g
COSCO C a e I d e L ed	L C g, Z a g M g e , L Fe g, M g D g	26 A 2004	US$50,000	I e e , a e d g

Changes in de facto controller during the Reporting Period

☐ A cab e ✓ N a cab e

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

☐ A cab e ✓ N a cab e

4. 10%

☐ A cab e ✓ N a cab e

5.

☐ A cab e ✓ N a cab e

Appendix IX

Additional Information

SUBSTANTIAL SHAREHOLDERS

So far as the Directors are aware, as at 31 December 2017, the following persons (other than Directors or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance of Hong Kong:

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

C a e IX

T e b a a S a e de f e C a a e C a Me c a G ! a d C a COSCO S g.

C a Me c a G ! a c , a ed Oc be 1986 e PRC. I , eg e ed ca a RMB10.05 b a d c a , a f e b a d f d , ec , M. L Ja g. C a Me c a G ! ' b e f c e , ee c , e d , e , a e , aff c (a b ! , g a , g a d , a , a , g c , cea e g ee, g a d , ade), f a ce (ba : , ed , e , ! d a d ! , a ce) a d , ea e a e (d , a e de e e a d , ea e a e de e e). O 9 ! e 2017, C a Me c a P , H d g C a L ed, a ! b d a , f C a Me c a G ! , c e ed e , a ac f , a fe , g a a , e f S a , e L ed C a Me c a I d , H d g, a e ! b d a , f C a Me c a G ! . A f e e d f e Re , g Pe, d, C a Me c a G ! , g ! b d a , e (c d g C a Me c a Sea Na g a C a L ed, C a Me c a H d g (H g K g) C a L ed, C a Me c a I d , H d g, S a , e L ed a d C a Me c a (CIMC) l e e) e d 24.56% f e ! ed a , e f e C a a d , e a a e a g e a , e de f e C a d , ec .

C a COSCO S g a c , , a ed Feb ! a 2016 e PRC. I , eg e ed ca a RMB11.0 b a d ega , e , e e a l e M. X L , g. C a COSCO S g a , e g, ega ed g c a d , e a ed f a ca e l ce a e a , , l de g ba ega ed g c ! c a e l ce a g a ! d , a c e , . A f e e d f e Re , g Pe, d, C a COSCO S g, e ec d a ge a , e de, f e C a , , g ! b d a , e (c d g C a S g (G !) C a , COSCO SHIPPING De e e , L g H ! , a d COSCO C a e I d , e , e c.) e d 22.73% f e ! ed a , e f e C a .

E ce f , e ab l e e ed C a Me c a G ! a d C a COSCO S g, e ega e , d d a d 10% , , e f e a ! ed a , e ca a f e C a (e c d g HKSCC N ee L ed).

OFFSHORE ENGINEERING

海洋工程業務

C a e, X

1.

I f, a ed,,e D,ec , e be :

Na e	Ge de,	Age	P	Te,	N be, f a,e ed e C a (a,e) 31 Dece be, 2016	 31 December 2017
Wa gH g	M	55	C a, a a d -e ed e D,ec ,	f, 31 Ma 2016 2018 a A a ge e, a ee g	N	Nil
Wa g Y a g	M	56	Vce c a, a a d -e ed e D,ec ,	f, 31 Ma 2016 2018 a A a ge e, a ee g	N	Nil
Ma B a g	M	58	E ed e D,ec , CEO a d P,e de	f, 31 Ma 2016 2018 a A a ge e, a ee g	494,702 (A S a,e)	494,702 (A Shares)
H Xa	M	48	N -e ed e D,ec ,	f, 26 Se e be, 2017 2018 a A a ge e, a ee g	N	Nil
L C g	M	47	N -e ed e D,ec ,	f, 31 Ma 2016 2018 a A a ge e, a ee g	N	Nil
Pa C e g e	M	71	I de e de -e ed e D,ec ,	f, 31 Ma 2016 2018 a A a ge e, a ee g	N	Nil
Pa Z e g	M	64	I de e de -e ed e D,ec ,	f, 31 Ma 2016 2018 a A a ge e, a ee g	N	Nil
W g K a H e , A be,	M	66	I de e de -e ed e D,ec ,	f, 31 Ma 2016 2018 a A a ge e, a ee g	N	Nil

B ef b g a f D ec , :

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

C a e X
Gldmpk_rgml ml Bgpcarmpq* Qsncptgqmpq* Qclgmp K_l_eckclr _lb Cknjmwccq

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

C a e X

Gldmpk_rgml ml Bgpcarmpq* Qsncptgqmpq* Qclgmp K_l_eckclr_lb Cknjmwccq

Mr. Pan Chengwei (潘承偉), aged 71, g ad a ed f T e M f a a Ma age e Cad e l e a a c a e bac e deg ee a d a acc a . M. Pa a ed ca ee 1965 a d e ed

C a e X
Glmpk_rgml ml Bgpcarmpq* Qsncptgqmpq* Qclgmp K_l_eckclr _lb Cknjmwccq

2.

I f a e C e S e be :

Na e	Ge de	Age	P	Te	N be f a e ed e C a (a e) 31 Dece be 2016	31 December 2017
Z a g M g e	M	39	C a a f e S e C ee	f 31 Ma 2016 2018 a a ge e a ee g	0	0
Wa g H g a	M	42	S e	f 26 Se e be 2017 2018 a a ge e a ee g	0	0
X g B	M	582	S e			

Mr. Wang Hongyuan (王洪源), age 42, g ad a ed f e l e f Na ga f Da a Ma e U e a d b a ed a bac e ' deg ee cea e ed g 1997. He a ed ca ee 1997 a d b a ed a a e ' deg ee f T a a Ma age e C ege f Da a Ma e U e a a - e g ad a e de f A g 2001 e 2003. F 1997 A g 2001, M. Wa g cce e ed a d ffce, ec d ffce, a d ac ce ffce f e e a g ed Pa a a f S a d g S g G . F 1 e 2003 2005, e ed a e ec a age f e e de e e de a e (e f e f g f ec g ec ea a * (前海灣項目組秘書處)) f C a Me c a G . F 2005 A g 2008, e a a e ec a age f e a age e de a e f C a Me c a H d g (I e a a) C a L ed. F A g 2008 Oc be 2011, e ed a e de ge e a a age a d ge e a a age f C a Me c a I e a a C d C a C ., L d.* (招商局國際冷鏈有限公司) e a ed a e d ec f C a Me c a Ma e & L g c (S e e) L d. (B ded L g c), a e a , e ed e ce e de f C a Me c a Me e g L g c H d g L ed* (招商美冷物流控股有限公司). F Oc be 2011 Dece be 2012, M. Wa g ed a e de ge e a a age f e e e e a egc e a a age e de a e f C a Me c a H d g (I e a a) C a L ed. F Ja a 2013 Dece be 2013, e ed a de ge e a a age f C a Me c a P Se ce (S e e) C a L ed* (招商港務 (深圳) 有限公司). F Ja a 2014 Ja a 2015, M. Wa g a e ge e a a age a a f C a Me c a F d S C a Ma age e C ., L d. F Ja a 2015 Dece be 2016, e ed a d ec a a f e ca a a age e de a e f C a Me c a G L ed. F Dece be 2016 e e , M. Wa g a bee e ge e a a age f e a egc de e e de a e a d e ge e a a age f C a Me c a I d H d g C a L ed* (招商局工業集團有限公司). F A g 2017 e e , e a a bee e g a e ge e a a age f C a Me c a G ea Wa Ocea Tec g S a egc De e e I d F d* (招商局長城海洋科技戰略發展產業基金).

Mr. Xiong Bo (熊波), aged 58, ed e C a 1991. He c e e a e a a age f F a ce Ma age e De a e f e C a . M. X g a bee e ca a f e Lab U f e C a ce 1996. He g ad a ed f He g a g Rad a d TV U e 1982 a e ec c a d ecq ed a bac e ' deg ee.

3.

I f a C e be f e e a age e e be :

Na e	Ge de	Age	P	Te	N be f ae ed eC a (ae) 31 Dece be 2016	31 December 2017
Ma B ag	M	58	CEO a d e de	f 28 Ma c 2016 2019 a a B ad ee g	494,702 (A S ae)	494,702 (A Shares)
L X eb	M	58	Vce e de	f 28 Ma c 2016 2019 a a B ad ee g	96,000 (A S ae)	72,000 (A Shares)
					2,400 (H S ae)	2,400 (H Shares)
W Fa e	M	59	Vce e de	f 28 Ma c 2016 2019 a a B ad ee g	0	0
L Y	M	50	Vce e de	f 28 Ma c 2016 2019 a a B ad ee g	0	0
Ya	M	62	Vce e de	F 24 Ma c 2015 31 Ma c 2018	100,000 (A S ae)	100,000 (A Shares)
Z ag Ba g	M	61	Vce e de	ee ea f 24 Ma c 2015	0	0
Ga Xa g	M	52	Vce e de	ee ea f 1 A 2015	0	0
	M	52	Sec ea e B ad, C a Sec ea	f 28 Ma c 2016 2019 a a B ad ee g	0	0
Ze g Ha	M	42	Ge ea a age f f ca de a e	f 27 Ma c 2017 2020 a a B ad ee g	0	0
Ya g R g	F	42	Ge ea a age f ca a a age e de a e	f 28 Ma c 2016 8 Ja a 2018 (e)	0	0

N e: O 8 Ja a 2018, M. Ya g R g e ged a Ge ea a age f ca a a age e de a e f e a ea . O 15 Ja a 2018, af e d e c de a f f, ee g 2018 f ee g e f eb ad f eC a , c da ed e g a f ca a age e de a e ad ec a a age e de a e a e e f ca a age e de a e , a da ed M. Ze g Ha a ege e a a age f ef ca a age e de a e .

C a e X

Glmdmp k_rgml ml Bgpcarmpq* Qsncptgqmpq* Qclgmp K_l_eckclr _lb Cknjmwccq

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

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

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

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

Mr. Li Yinhui (李胤輝), aged 50, a bee a ce e de f e C a ce Ma c 2004. He a bee e ca a d ec fa be f b da e f e C a ce 2004. He ed a a - e ce e de f Oc be 2002 Oc be 2003. M . L ed M f C e ce f Ma c 2003. Be ee Ma 1993 a d Ma c 2003, e ed S a e C f F e g T ade a d Ec c C e a . P a , M . L ed Ce a C ee f C e e C Y Lea e. He ece ed bac e deg ee f J U e J 1991, a MBA deg ee f Sc f B e Na g U e Dece be 1997 a d P .D. ec c f J U e J e 2001. M . L cce f c e ed a ee ea ' e ea c a e d c a ce e f C a Ce e f I e a a Ec c E c a ge Se e be 2016.

C a e X
Gldmpk_rgml ml Bgpcarmpq* Qsncptgqmpq* Qclgmp K_l_eckclr _lb Cknjmwccq

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

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

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

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

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

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

C a e X
Gldmpk_rgml ml Bgpcarmpq* Qsncptgqmpq* Qclgmp K_l_eckclr _lb Cknjmwccq

C a e X
Gldmpk_rgml ml Bgpcarmpq* Qsncptgqmpq* Qclgmp K_l_eckclr_lb Cknjmwccq

2. [illegible]

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

3. A [illegible]

C a e X
Glmpk_rgml ml Bgpcarmpq* Qsncptgqmpq* Qclgmp K_l_eckclr _lb Cknjmwccq

A A A

F e fe a bac g d a e e ce f e D ec , S e a d Se Ma age e a d e a e b e C a ea e efe l. B ef B g a f e D ec , S e a d Se Ma age e C a e.

1.

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
Wag H g	C a Me ca G L ed	De ge e a age	Mac 2015		Ye
Wag a g	C a COSCO S gC a De ge e a age Me c a G		Ja a 2016		Ye
H Xa	C a Me ca l d H d g L ed	Ge e a age	Dece be 2017		Ye
L C g	COSCO SHIPPING De e e C ., L d.	Ma ag gd ec	Mac 2016		Ye
Z ag M g e	COSCO SHIPPING De e e C ., L d.	C efacc a	Ja a 2014		Ye
Wag H g a	C a Me ca l d H d g L ed	De ge e a age a d ge e a age f S a eg a d De e e De a e	Dece be 2016		Ye

2.

Name	Name of other company

A A A A A

1. - A

I acc da ce e f eA ce fA ca e ea f eC a 'D ec ad S e a be de e ed b e Ge ea Mee g, e e ea f e Se , Ma age e a be de e ed b e B ad. D g e Re g Pe d, e D ec (a a f de e de - e ed e D ec) ad S e f eC a a eca e e ea d e d g e ea f d ec ad e . Se Ma age e a eca e e ea f eC a b da e. T eC a a e ab ed c e e aa e a d e ea eg a ad eC a ad a a aa e. T e B ad f eC a a a e ea e Se Ma age e acc d g e Reg a f A a Pe f a ce A e e a dI ce ef e Pe e E ed b e CIMC B ad.

U c de a a da a f eB ad a d e Ge ea Mee g, e de e de -e ed e D ec a a a ded RMB200,000 e ea a de e de d ec a a ce d g e Re g Pe d. I add , de e de D ec dd eca e e e ea d g e Re g Pe d. T e aff e e a e S e , M. X g B eca ed e ea f eC a d e e e e da eC a .

T e de a f e ea (e- a) f d e D ec , S e , a d Se , Ma age e a e de c bed e f g e ea abe f D ec , S e , a d Se , Ma age e .

2.

U : RMB a d

Name	Position	Gender	Age	Status	Total remuneration before tax from the Company	Remuneration Received from related parties of the Company
Wa gH g	C a a d -e ec e D ec	M	55	C e		
Wa g a g	Vce c a a d -e ec e D ec	M	56	C e		
Ma B a g(N e 1)	E ec e D ec , CEO a d e de	M	58	C e	4,675	
Wa gZ a	N -e ec e D ec	M	52	Re e e		
H Xa	N -e ec e D ec	M	48	C e		
L C g	N -e ec e D ec	M	47	C e		
Pa C e g e	Ide e de -e ec e D ec	M	71	C e	200	
Pa Ze g	Ide e de -e ec e D ec	M	64	C e	200	
W gK a He , Abe	Ide e de -e ec e D ec	M	66	C e	200	
Za gM g e	C a a f e S e C ee	M	39	C e		
L Se g	S e	M	54	Re e e		
Wa gH g a	S e	M	42	C e		
X gB (N e 2)	S e	M	58	C e	348	
L X eb	Vce e de	M	58	C e	2,183	
W Fa e	Vce e de	M	59	C e	2,169	
L Y	Vce e de	M	50	C e	1,472	
Y Ya	Vce e de	M	62	C e	1,834	
Za gBa g	Vce e de	M	61	C e	2,222	
Ga Xa g	Vce e de	M	52	C e	2,455	
Y Y	Sec ea eB ad	M	52	C e	2,131	
J Ja g(N e 3)	Ge e a Ma age f Fa ca Ma age e De a e	M	64	Re e e	330	
Ze gHa (N e 3)	Ge e a Ma age f Fa ca Ma age e De a e	M	42	C e	1,033	
Ya gR g(N e 3)	Ge e a Ma age f Ca a Ma age e De a e	F	42	Re ed 8 Ja a 2018	1,846	
T a					23,298	

N e 1: A ee ec e D ec f eC a , M. Ma B a g a ecee ed e e ea f eC a d e f CEO a d e de eC a .

N e 2: M. X gB a ecee ed e e ea f eC a d e ed eC a e a e .

N e 3: A e b e f ee g 2017 f eeg e f eB a d f eC a , M. J Ja g, ef ff ce d e e e a f ee e M. Ze gHa a a ed a ege e a a age ff a ce a age e de a e . O 8 Ja a 2018, M. Ya gR g, e g ed a ge e a a age f ca a a age e de a e f e a ea . O 15 Ja a 2018, af e d ec de a ff ee g 2018 f eeg e f eb a d f eC a , c da ed e g a f a ca a age e de a e a d ec a a age e de a e a e f a ca a age e de a e , a da ed M. Ze gHa a ege e a a age f ec da ed f a ca a age e de a e

Te f e e e ecee ed e ge e e a f eG 2017 a e bee ed e ab e ab e.

3.

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

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

4.

T e e e a c f e Se , Ma age e f e C a a be b ec e Reg a f , A a Pe f , ace A e e a d l ce L ef , e Pe e E ed b e CIMC B a d . T e C a ' e , a age e e e a c . f a ca e e f e e , a age e e G ' , e a g e a d e e f , ace f a e e a e .

A

1.

N be f - e ce e ee f eC a	265
N be f - e ce e ee f , c a b da e	50,424
T a be f - e ce e ee	50,689
T a be fe ee ,ece ed aa e d , g eRe , gPe d	50,689
N be f,e ,ede ee e e e dbea ed b eC a ad , c a b da e	98

Professional composition

Professional composition	Number of employees
P, d c e, e	33,384
Sa e, e	2,544
Tec ca e, e	9,086
F a ca e, e	1,161
Ad ,a e, e	4,514
T a	50,689

Education background

Education degree	Number of employees
PHD	32
Ma e,	1,108
Bac e ,	8,347
C ege	7,477
Se , g c a d be	33,725
T a	50,689

2.

F, de a f eC a ' ,e e, ea ce , ea e,efe, E ee a d Re e, a P ce f C a e, VI Ma age e D d a d A a P, e a, ed Acc ,da ce e H g K g Sed , e Re a , R e Re , .

3.

T e G c c ,e d ,a f e e- ,e ed a d a d e a d c a de e ae f , e d , g b d g a ae ,a g e CIMC c a ac e, c . T e e e a d c e ae ,a g e f e G c de e e ee ,a g, ge e a . ,a g, fe a ,a g, eade ,a g, g a ea d e, a a ae ,a g, g a e.

4.

☐ A cab e ✓ N a cab e

C a e, XI
Ampnmp_rc Emtcpl_lac _lb Ampnmp_rc Emtcpl_lac Pcnmpr

T e C a a , e a ed e C , , a e G L e a c e W , . R e , a d e C , , a e G L e a c e R e , acc , da ce d ffe , e , e e f , a d c e f PRC ed , e , eg a , a , e a d e H g K g L g R e , , e ec L e . T ee e , e e a l cd a d a d d e , e e , a c , efe , e c g a , a c a bee ad ed.

1. A A A A

D , g e Re , g Pe d, e C a c ed e a ce a d , L e e C a ' c , , a e g L e a ce a d a da d ed e a , c c a ce e , e e f a a d , eg a c d g e PRC C a La , C , , a e G L e a ce G de e f , L ed C a e , G da ce O E ab g a S e f I de e de D , ec , L ed C a e , R e f Ge , a Mee g f L ed C a e a d G de e e A ce f A ca f L ed C a e a e a e , e , e e f e L g R e . T e C a a e ab ed ac , , a e g L e a ce , c , e c e e , e , e e f a age e f de , e e , e a d e , e e l a d baa ced e f , a ce fa l c . I acc , da ce a e e f , e a d , eg a f e C a l c a e R e f P , ced , e f , S a e de , ' Mee g , e R e f P , ced , e f , B a d , e R e f P , ced , e f , S e L , C ee a d e W , g , e f , e P , e de , e C a e e ed effec L e c , , a e g L e a ce b g g l a e , e f B a d c ee . T e l c a d , e b f ege e a ee g , e B a d a d e S e L , C ee e , e l f e f , ed a d baa ced, c afeg a ded e e , e f e S a e de , a d e C a effec L e e , ed e l a abe a d ea d e e f e C a . I N L e be 2017, a e f e l e e a a a da d f ISO 37001 A -b be Ma age e S e , e C a a L ed a c a e e G ba S f , Be P ac ce f A -b be Ma age e , a d , l b da CIMC Ta da a e f , be a a ded e ISO 37001 A -b be Ma age e S e acc ed a ce , f ca e C a.

I acc , da ce a da d f , e c , , a e g L e a ce f ed c a e b CSRC, CSRC S e e B , ed , S e e S c. E c a ge a d e H g K g S c. E c a ge, e C a L e a d e c e ed c , , a e g L e a ce , ec f ca , e ca ec a d e e ab e a e , ed b , e e a , eg a , a , e . I 2017, e C a a a a ded e Na a Sc e ce a d Tec g P , g e A a d b e S a e C l c a d a , a ed 37 a g e T 500 E e , e G a gd g P , L ce b e G a gd g P , L ca E e , e C fede a .

I 2017, e C a c ed ace e a a d a c ed , L g L e , , e a a age e . Acc , d g , e e a a a d , eg a l c a e C a La , e Sec , e La , a d e Ma a f , l e , Rea Ma age e f L ed C a e a d e , e , e e f e A ce f A ca , e C a f ed e , c e f l a d c a ce d c l , e f f , a , e a , l f , a L e , , e a d eg , a d e ac L e c l ca , g l a age e f e L e , , ea . I e e e f ed a d a L e , , e C a a d ed effec L e a d c L e e ea , e da , a d e e e f a , l e , e g e a -a l d a d effec L e c l ca S a e de , a d L e , . Se ec L e d c l , e a a ded e l , e e e e f ed a d a S a e de , e ec f ba g c , , a e f , a a fa , a d l a e . I ea e c d c ed da , ece , a e a e ed l , e f L e , , g e ca , a c a ed a l a L e e c fe e ce a d e a c ee g ed b d e ca d e a a ed , e b e a d c d ced e e , e a c l ca l a L e , . I , e ec f e

e , ee , e eg ce c ce ed b S a e de a d e , , eC a , e ed e e
e l e ac Ea a d l e ac e Paf , f , l e , Rea f e S e e S c.
E c a ge ac ee e , a e a d bec e c ca ed a d a e , . I 2017, e
C a , ece ed , , e ea c e a d a f , a a e , ff d a d e e
c a e , ec , e c a e a d d a e , fa , a e 35 e a . CIMC a , a ged f ,
a e , c a ec , e b . e a d f d c d c fed , e a c e eC a e e a
e e a a ba e , , ec fa a g c , c a e , a b e a d a ,
b e e , e ab g e dee de a d e d e e e f , a eg ca e e g g d , e a d e
b e e a f eC a . T , g de , a f ec g ca , e ea c , e a d d e e e
bec e f a , b e eg e , eC a e ab ed e , a d S a e de . f , e ,
ec g e e , e e a e , e a ced e c f de ce f e , , afeg a ded e , g . f
ed a d a e , , , e g e ed e e e f be g g f S a e de eC a a d c ea ed
g d S a e de ' d , e . I add , eC a e d e D c , e Mee g f A a Re f 2016
a e e d f Ma c a d D c , e Mee g f I e Re f 2017 a e e d f A g , e ec e , a d
, e d e b a d ca f e ee g d e c e , , g e e ebca g a f , . F , e , e
C a d , b ed 2017 e c e f e ff ca eb e f eC a , g e be a f ,
a e a e , a e e , c f , a , ce f , ed a d a e , .

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

☐ Ye ✓ N

Formulation and implementation of registration and management system of insiders

T e C a a e ab ed a I de Reg , a a d Ma age e S e acc , d g e a , ed , e
, eg a , , e . T e ab e e , c ec fe e c e f de f , a a d de , e
a , e a , , eg , a a d f g e f de f , a a d c f de a b ga , a bec e a
, a a f eC a ' e a c , e . I , e ec f e e a f de f , a
a d de , a age e e , eC a ca , ed a effec e e a c , c a a d
d c , e f de f , a acc , da ce e a e a d , e , e a , c ba . Sef
e a a , e a de a e ed a de f , a , ade eC a ' a e
bef , ed c , e f a , e e f , a affec g eC a ' a e , ce 2017.

2. A A A

3. [illegible]

☐ A cabe ✓ N a cabe

C a Me c a (CIMC) l e e , a d ec S a e de f e C a , a - ed b da f C a Me c a I d , H d g a d de fac c , e C a Me c a G . S fa a e C a a a e, C a Me c a (CIMC) l e e e gaged a b e , ea ed e , c a b e e , [illegible] f , (ae g a ba.2 e

(1) [illegible]

Independent Directors' Attendance to the Board Meetings

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

T e fa e da ce f de e de D ec a ege e a ee g — Pea efe (2) A e da ce f e D ec a ege e a ee g f 4. S a e de a d Ge e a Mee g de Pa II: C aeG e ace Re (P e a ed Acc da ce eRe e e f eH gK gL gR e) ca e f dea.

(2) [illegible]

D g eRe gPe d, e de e de D ec dd e e a e e a a f eC a.

(3) [illegible]

N e

6. [illegible]

T e B a d a e f e ec a c ee, .e. A d C ee, Re e a a d A a a C ee, S a eg c De e e C ee, N a C ee a d R. Ma age e C ee. T e e ec a c ee c ce f e f ed e d e acc da ce e G e a ce G de e f L ed C a , eH gK gL gR e , eA ce f A ca , eR e f P ced e f e B a d, a d e a , e a d b ga a da ed b e e e a e f eac ec a c ee. F e e g f eac ec a c ee de e B a d d , g e Re , gPe d, ea e efe 3. S ec a C ee f e B a d de Pa II: C , aeG e ace Re (P e a ed Acc da ce e Re e e f e H gK gL gR e) ca e.

C a e XI
Ampnmp_rc Emtcpl_lac _lb Ampnmp_rc Emtcpl_lac Pcnmpr

7.

A f eC a d c ed b eS e C ee e d g eRe g Pe d

☐ Ye ✓ N

8. A A A A A A

I de e eC a ' de e e a a da d ed, d a d de a e, a ac e ae a d a a e ab f e e a age e , eB a d a f aed eRe a f A a Pe f a ceA e e a d I ce ef ePe e E ed b e CIMC B a d, a d e ab ed e e f a ce a a a a d ce ead e a ec a c e e e a f e a age e b eC a ' e f a ce a d d a e f a ce.

O 17 Se e be 2010, a c de ed a d a ed a e f e a d a ge e a ee g 2010 f e C a e C a a cedad e e eda ce ece e f e a e fAS a e. F e ea f a e efe XV. I e e a f eC a ' Sa eO I ce e Sc e e, E ee S c O e Sc e e O e E ee I ce e Mea e f C a e VIII Sg fca E e Re e. T e A S a e( ) a e ce e ce e e c d e e e e a g a d e c ec a be ee e S a e de e a age e a d e aff. T e a age e ca be e baa ce e a d g e a ge ; a ac a d e a e ce e a age e e e a d b e bac b e ; c e c ea e ce e a e, e e g e abe de e e f eC a a d e f ce c e e e f eC a .

9. A

(1)

☐ Ye ✓ N

Acc d g e f d g de f g eC a ' g fca defce c e a c e a e f a ca e g a a eba e eda e f e e a c a e e e (31 Dece be 2017), eC a a g fca defce c e a c e a e f a ca e g. T e B a d f e a e C a a d c ed e c e abe c a. f e e e e a c a d e e e f e e a a effec e e a c e a e f a ca e g a a e a ec .

Acc d g e f d g de f g eC a ' g fca defce c e a c e a e - f a ca e g a a eba e eda e f e e a c a e e e (31 Dece be 2017), e C a a f da g fca defce c e a c e a e -f a ca e g.

(2) -A

D c ,eda e f e f e, a c , a e e ,e , 27 Ma, c 2018
D c ,e de f e f e, a c , a e e ,e , .c f.c .c
P , f a a e f e c , ,a ed ea e e c e e

C a e, XI
Ampnmp_rc Emtcpl_lac _lb Ampnmp_rc Emtcpl_lac Pcnmpr

	Defce c de fca c, e, a	
Caeg,	F aca,e , g	N -f aca,e , g
	I , a defce c :	Ge, a defce c :
	Defce c e, a c , ef g,ea, c afe, ge, e, a a a ca e !,e ea e c , acd,ac a d,e ab f ef a ca ae e !dbe ! de, g a.e c e,e e f ea e ed de, ed be , a defce c :	Pae ed ec g , , , ea, ec g f, ged! ,c fde a c , ed ! de, g a.e c e,e e f ea e ed e ' e , ,e , d c ;b e effec a.
	, I e, a c , ec cea da ca f acc! g ce acc,d g ge, a acce ed acc! g a da,d ;	
	, A -f!a d , ced,e a dc , ;	
	, I e, a c , ! c,e a , - e a c ,a ac ;	
	, I e, a c , ed-e, df aca,e , g ,ce e ;	
	, I e, a c , f, a e ,ea g f aca,e , g;	
	, Fa!,e c a ce ! e, , ! c a ca, qea a , ac e,e ab ff a ca ,e , g;	
	, Pe a a c b e aea! , e c a, e ac ed ega, e ea e ede ' ,eg! a ,e , gd c !,e;	
	, F, c a e a a,e, ! ed ! ace e, a ad g ,, . a e e ! c f, effec, e , g, efa!,e f ! c ! c .	
	Ge, a defce c :	
	Pe a a c b ,, ca(c ,e) , e, e e a , e c a, e ac ed ega, e e a e ede ' ,eg! a ,e , gd c !,e.	

Defce c de fca c, e, a		
Caeg,	F aca,e , g	N -f aca,e , g
Q a a,e be c a.	(T ee,, e , e , eda (X) f aca ae e fa be ee ef g,a ge)	Sg fca defce c:
	Sg fca defce c:	1. Fa ,e a a ad/, daedc e a c e f, e e ac , e f, 3 ea, ad ,e cce ,adfa ,e ,ea a e f , g ae, f, e, a c , a gc ec. ;
	1. 0.5% f a ae ,e e e;	2. C e f , a e ce f, a e, d f,e 48 , c ,a bcIT e , af, ac, ,ae c ca e (c d g e ,., c ,,e de ce, ee e), ERP e ,f aca f, a e ,PDM e ,OA e ad .
	2. 5% f a , f ;	
	3. 1% f aa e ;	
	4. 1% f a a.e de, ' e,e .	
	I , a defce c:	I , a defce c:
	1. 0.1% f a ae ,e e e <0.5% f a ae ,e e e;	1. Fa ,e a a ad/, daedc e a c e f, e e ac , e f, 2 ea cce ,adfa ,e ,ea a e f , g ae, f, e, ac , a g c ec. ;
	2. 1% f a , f <5% f a , f ;	2. C e f , a e ce f, a e, d f,e 24 , d e a 48 , , c ,a bcIT e , af, ac, ,aec ca e (c d g e ,., c ,,e de ce, ee e), ERP e ,f aca f, a e ,PDM e ,OA e ad .
	3. 0.2% f aa e <1% f aa e ;	
	4. 0.2% f a a.e de, ' e,e <1% f a a.e de, ' e,e .	Ge e,a defce c:
		1. Fa ,e e f, a a a ea cea d daef e,ac , e d c e a , adfa ,e ,ea a e f , g ae, f, e, ac , a gc ec. ;
		2. I ab e cca a e, ce e, f c ,a bcIT e , af, ac, ,aec ca e (c d g e ,., c ,,e de ce, ee e), ERP e ,f aca f, a e ,PDM e ,OA e ad ;b , a e,a ca be,ec,e,ed a e, d f24 , .

C a e, XI
Ampnmp_rc Emtcpl_lac _lb Ampnmp_rc Emtcpl_lac Pcnmpr

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

10. [illegible]

✓A cabe ☐N a cabe

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

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

D c !,e f e,a c , a d ,e ,	D c ed
D c !,edae ff e f e,a c , a d ,e ,	27 Ma,c 2018
D c !,e de ff e f e,a c , a d ,e ,	.c f.c .c
Caeg, f e,a c , a d ,e ,	U!a fed
W e e, e,ea,e ae,a defce ce -f aca,e , g	N e

W e e, eacc! a f, ,e,be e,a c , a d ,e , f - a da,d e

☐Ye ✓N

W e e, e e,a c , a d ,e , ,e,bed b acc! a f, c e e ef-e,a! a ,e , f eBa,d

✓Ye ☐N

A A A A A

T e C a a bee c ed e a c g c , a e g e a ce a da d . T g c c , a e g e a ce ac ce , e C a e e a ce c , a e a e a d e , e g - e a abe de e e , a d f f c , a e e b a a ed c a a e a a e g - e S a e de a e . T e C a a c ed e c de , de e C , a e G e a ce C de e A ed 14 f e H g K g L g R e d , g e Re , g Pe d , e ce f , de a f c de , A.1.1, A.2.7, A.6.7 a d E.1.2. T e de a f de a f e c de , f C , a e G e a ce C de a d c de , a e d c ed , e e a a ag a be .

1. A A A

T e C a a ad ed e , e a dea g a e f e C a b D , ec , a d S e , a e A e d 10 f e H g K g L g R e . Ha g ade e , e a D , ec , a d S e , , eac D , ec , a d S e , a c f , ed e C a a eac f e a c ed e , e e e e M de C ded , g e Re , g Pe d .

2. A

(1) A

T e B a d f e C a e ec ed b e ge e , a ee g f e C a , g g a d ed acc abe e ge e , a ee g . T e , a , e b e f e B a d a e , de , a e g c da ce e C a , e e c e effec e e , e a ge e , e , e a e C a ' e e a e , ec ed a d a e acc abe e S a e de , . A c de ed a d a , ed a e f , ee g 2017 f e e g e f e B a d ed 27 Ma c 2017, e C a a ed e de Reg a a d Ma age e S e f C a e a a Ma e C a e (G) C ., L d . a d e e a R e f e R . Ma age e C ee f e B a d f D , ec , f C a e a a Ma e C a e (G) C ., L d .. T e f e c e e b ed C f eb e (. c f . c . c), e H g K g S c . E c a ge ' eb e (. e e .) a d e C a ' eb e (. c c . c) 28 Ma c 2017.

C a e Xl

Ampnmp_rc Emtcpl_lac _lb Ampnmp_rc Emtcpl_lac Pcnmpr

(2)

Acc d g eA ce fA ca , eB a d c feg D ec , c d g e c a a , e ce c a a d ee de e de -e ec e D ec .

D g e Re g Pe d, 7 A g 2017, M. Wa g Z a , a -e ec e D ec , e g ed f e f -e ec e D ec f e C a a da eR. Ma age e C ee a d e Re e a a d A a a C ee f e B a d d e e c a ge b a g e . O 26 Se e be 2017, a e a b S a e de a e f e a d a ge e a ee g 2017, M. H Xa f a bee a ed a a -e ec e D ec f e e g e f e B a d f e C a , a d e f ee ee g 2017 f e e g e f e B a d f e C a , M. H Xa f a bee e ec ed a e c a a f e R. Ma age e C ee a d a e be f e Re e a a d A a a C ee. F de a , ea e efe IV. C a ge f D ec , S e a d Se , Ma age e f e C a f C a e XI f a D ec , S e a d Se , Ma age e a d E ee Re .

A g e d e D ec , e f -e ec e D ec a e a a d e e e e e ce d e a d a age e ; e ee de e de -e ec e D ec a f d acade c a d fe a a f c a a d c d e e e ce g f a ce, ega a d a age e . E e c a , M. Pa C e g e, a de e de -e ec e D ec , a a a e acc g a d f a c a a age e e e e. T e fe a a f c a a d a b d a e e e ce f c e D ec e e B a d g e e a d a age e ced e e e e e e fa S a e de , c d g S a e de . P f e f D ec f e C a a e e e ec e a d e d B ef B g a f e D ec de C a e XI f a D ec , S e , Se , Ma age e a d E ee f

C a e Xl
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(3)

The Board conducted 21 Board meetings and 16 meetings of Committees of the Board and passed 35 resolutions by circulation of the Board and 27 resolutions by circulation of Committees of the Board.

Session of meeting of the Board	Date	Resolutions of the Board considered
The 1 meeting of the 8	27 March 2017	1. Resolution for the meeting; 2. Resolution for the accounts for the year 2017; 3. Resolution regarding the appointment of the Statutory Auditors of the Company for the year 2017; 4. Resolution regarding the proposed grant of loans to be availed by Steel Authority of India Limited and the corporate guarantee to be provided by the Company in this regard; 5. Resolution regarding the proposed grant of loans to be availed by Visvesvaraya Iron & Steel Limited and the corporate guarantee to be provided by the Company in this regard; 6. Resolution regarding the proposed grant of loans to be availed by Bhadravati Ferro Silicon Limited and the corporate guarantee to be provided by the Company in this regard; 7. Resolution regarding the proposed grant of loans to be availed by Alloy Steels Plant of Steel Authority of India Limited and the corporate guarantee to be provided by the Company in this regard; 8. Resolution regarding the proposed amendments in the Articles of Association of the Company; 9. Resolution regarding the appointment of the Chief Executive Officer; 10. Resolution regarding the appointment of the Company Secretary.
The 2 meeting of the 8	21 April 2017	Resolution for the recommendation of the payment of the Interim Dividend for the financial year 2017 to the Board
The 3 meeting of the 8	27 April 2017	Resolution for the appointment of the Chief Executive Officer for the financial year 2017
The 4 meeting of the 8	8 May 2017	Resolution for the recommendation of the payment of the Final Dividend for the financial year 2016 to the shareholders of the Company for the financial year 2017
The 5 meeting of the 8	29 May 2017	Resolution for the Annual Report of the Company for the financial year 2016
The 6 meeting of the 8	14 June 2017	Resolution for the appointment of Mr. Manoj Raut as the Chief Executive Officer for the financial year 2017
The 7 meeting of the 8	14 June 2017	Resolution regarding the proposed transfer of the Steel Service Centre of the Company to the Subsidiary Company
The 8 meeting of the 8	20 June 2017	Resolution for the appointment of the Secretarial Auditor for the financial year 2017
The 9 meeting of the 8	3 August 2017	Resolution for the appointment of the Cost Auditors of the Company for the financial year 2017
The 10 meeting of the 8	11 August 2017	Resolution for the meeting
The 11 meeting of the 8	28 August 2017	1. Resolution for the meeting 2. Resolution for the financial statements and

C a e, XI
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Session of meeting of the Board	Date	Resolutions of the Board considered
T e 12 ee g 2017 f 13 Se e be, 2017 e 8 e		1. Re ea f e e e S e e CIMC Eec, c C e, ce a d L g c Tec g C ., L d. 2. Re e, a fe, f e e e S e e CIMC Eec, c C e, ce a d L g c Tec g C ., L d. 3. Re ea , L a fe e, g e , a egcc e, a fa e , . ag ee e S.F.E , e C ., L d.
T e 13 ee g 2017 f 22 Se e be, 2017 e 8 e		Re eec ga D, ec , c a, e f, e , a , d a, ge e, a ee g 2017
T e 14 ee g 2017 f 26 Se e be, 2017 e 8 e		Re de e, g e be, f e Re e, a a d A , a a C ee a d e R . Ma age e C ee
T e 15 ee g 2017 f 9 Oc be, 2017 e 8 e		Re e e, g e Qa a La d P, e a, a F, a e , . Ag ee e
T e 16 ee g 2017 f 27 Oc be, 2017 e 8 e		Re e , d a, e , e , f 2017
T e 17 ee g 2017 f 4 Dece be, 2017 e 8 e		Re ec f 78.15% e e e P e, G ba L ed., C a F, e Safe E e , e G L ed
T e 18 ee g 2017 f 5 Dece be, 2017 e 8 e		Re a, e f e, a e de, f , e-e L e, g e , a fe, fe e e CIMC Ve ce (G) C ., L d.
T e 19 ee g 2017 f 11 Dece be, 2017 e 8 e		N , e
T e 20 ee g 2017 f 18 Dece be, 2017 e 8 e		N
T e 21 ee g 2017 f 22 Dece be, 2017 e 8 e		Re ec L e g f ef, e , a , d a, ge e, a ee g 2018

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

(4) A

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

(5)

C a e Xl
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(6)

T e C a e e ed e ce c ac Z a g M g e (e c a a f e S e C ee),
L S e g (S e e d 25 Se e be 2017), Wa g H g a (S e) a d X g B

(8)

D g e Re g Pe d, e f e D ec S e f e C a ad a a e a e a e e d ec d ec , a a ac , a a ge e c ac f g fca ce e e C a a f b da e a a a .

M. Wa g H g a -e ec e D ec f e C a , e e a e de ge e a a age f C a Me c a G . M. H Xa f e e a ege e a a age f C a Me c a Id H d g . M. Wa g H g a , a e f e C a , e e a e de ge e a a age f C a Me c a Id H d g ad ege e a a age f e a egc de e e de a e . C a Me c a Id H d g ad c g a e de C a Me c a G a e e a ge S a e de f e C a . Te ff e e g ee g b e f C a Me c a G c e e a f e G . F de a , ea e efe 3. H a C e f C a e XI C a e G e a ce a d C a e G e a ce Re Re .

M. Wa g a g a -e ec e D ec f e C a , e e a e de ge e a a age f C a COSCO S g C a . M. L C g e e a e a ag g d ec f COSCO SHIPPING De e e M. Z a g M g e , a e f e C a , e e a e c ef acc a f COSCO SHIPPING De e e a d c g a e de C a COSCO S g a e e ec d a ge S a e de f e C a . Te c a e a fac g g c e ce a d f a ca ea g b e c e e e f e G . F de a , ea e efe 3. H a C e f C a e XI C a e G e a ce a d C a e G e a ce Re Re .

Sa e a d c ed ab e, e f e D ec S e a e ea ed c D ec / S e a e e a e e e ada e e ab e a c e e a c e ed ec d ec e b e f e G .

(9)

a. U a ! f d b e D ec , e C a a de e a c a e a .
I f a ab e C a ' b e a d e a a be ded a e a ba a e .
T e d a c f a e e a e a a d e a d - (d)0.55(g)0. 4(e)0.4(e)0b5(g)0. c(g)0.5( )0.5(a)0

3. A A

U de eB ad, e ea eRe t e a a dA a a C ee, N a C ee, A d C ee, S a eg C ee a d R . Ma age e C ee. T e a e b t e dec - a g f eB a d. D ec a c a e e ec a c ee f d e e ea c fce a t e ba ed e d f a d l de t gge a t d e l ea d e ea ce e a age e f eC a .

(1) A

T e a d e a d e b e f eRe t e a a dA a a C ee f eC a a e: (1) d a df a e a c e a f e a age e , e f a a d e e t e a ce a d a ; (2) a e ec e da ega d g e a a c e a a d e t e a ce f D ec ; (3) f t a e a e ce l e c e e t a l f e a a eg a a d a l e d c e ; (4) be e be f e a age e f a e ce l e c e e, c d g b ed e e a f ca f g a ee, g a c d a d c d f e e c g e a e; a d (5) ca t e a e a edb eB a d.

A A

T eRe t e a a dA a a C ee c e f eD ec , c d g ee de e de - e ed l eD ec a d -e ed l eD ec . C e e be c de c a a , a e , M . Pa Z e g a d e be , a e , M . Pa C e g e, M . W g K a H e , Abe , M . H Xa f a d M . L C g.

A

The Remuneration and Nomination Committee met 4 times during the year as detailed below:

Session of meeting	Date	Resolutions considered
The 1st meeting of 2017 for the 8th term	27 March 2017	Review of the meeting of 2017
The 2nd meeting of 2017 for the 8th term	8 May 2017	Review of the 2016 annual assessment report of the directors (excluding CEO and Presidents) of the Board of Directors
The 3rd meeting of 2017 for the 8th term	12 May 2017	Review of the 2016 annual assessment report of CEO and Presidents of the Management Board
The 4th meeting of 2017 for the 8th term	10th July 2017	Opinions on the 2016 performance bonus and 2017 medium and long-term incentive plan of the Board of Directors

B

The annual remuneration of the Remuneration and Nomination Committee members is determined according to the following principles: (1) the Remuneration and Nomination Committee members of the Company shall be paid by the Board of Directors; (2) the members of the Remuneration and Nomination Committee who concurrently hold positions in the Company shall be paid according to the remuneration standard for their positions in the Company; (3) the Remuneration and Nomination Committee members who do not hold positions in the Company shall be paid a fixed allowance; and (4) the Remuneration and Nomination Committee members shall not be paid any other allowance, bonus or equity incentive by the Company.

According to the Rules of the Remuneration and Nomination Committee of the Board of Directors, the Remuneration and Nomination Committee shall be responsible to the Board of Directors, and shall report to the Board of Directors on its work. The proposals of the Remuneration and Nomination Committee shall be submitted to the Board of Directors for examination and approval. Article 14 of Chapter 4 of Section B.1.2(c) of the Code stipulates that the Remuneration and Nomination Committee shall perform the following duties.

(2)

T e a d e a d e b e f e N a C ee a e: (1) e e c t e, e a d c f e B a d a a e g a b a (c d g e a e c f , edge a d e e e ce) a d a e e c e d a a , ed c a ge e B a d ee e e C a ' a e g ; (2) de f d d a a f e d b e c e B a d e b e a d e e c a d a e e c e d a e B a d e e e c f d d a a e d f , d e c , ; (3) a e e de e de ce f de e de -e e c l e D e c , ; (4) a e e c e d a e B a d e e a a e , e a g e a e , e a e f D e c , a d c ce a f , D e c , (e e c a e c a , a f e B a d a d , e de); (5) e a t a e e D e c , ' , a d a e g ge , e c e d a e e a ce e f D e c , b a e d e e a t a , e (f a c a b e); (6) f c de e C a ' c d e f B a d e b e e f g e b e , e. e e e c f c a d d a e f , e B a d b e b a e d a d e e a g e f c e a, c d g b ed ge de , a g e, d , a a d e d c a a b a c g d, , f e a e e e c e, a d edge; f e a b l e c d a e c a e c a d d a e ' c e e l e l a e e C a ' b e a d d e e e , / e e a c , b e B a d a d e e e d e f e B a d e b e b e a e a c c e e f a d e c a d e; (7) e e , e e a , a e, e C a ' c d e f B a d e b e a e a e e a , a b e g a a d , g e f c e e a e e , e eff c e c ; a d (8) e f , e d e a , e d b e B a d.

A

T e N a C ee c , e e e D e c , , c d g de e de -e e c l e D e c , a d e -e e c l e D e c , . C , e e be c d e c a , a , a e , M . W g K a H e , A b e , a d e be , a e , M . Wa g H g a d M . Pa C e g e .

Member of the Nomination Committee	Time of attendance in person	Time of attendance by proxy
M . W g K a H e , A b e (c a , a)	2	0
M . Wa g H g (e be)	2	0
M . Pa C e g e (e be)	2	0

T e N a C ee e d 2 ee g d , g e Re , g Pe d , a d e , a de be a e d a e a f :

Session of meeting	Date	Resolutions considered
T e 1 ee g 2017 f 27 Ma c 2017 e 8 e		O a e c ce g e 1 ee g 2017
T e 2 d ee g 2017 11 A g 2017 f e 8 e		O e a f M . H Xa f a a ca d d a e f , d e c , f e 8 e f e B a d

(3) A

A

Te a d e a d e b e f e A d C ee c de: a de e e a e e a a d g b d f e C a , e e f a c a f a f e C a a d e C a ' f a c a e g e a d e a c ced e . F de a , ea e efe Te l e e a R e f e A d C ee de e B a d f C a l e a a Ma e C a e (G) C ., L d. b ed e eb e f e S e e S c E c a g e , C f eb e (. c f. c .c), e eb e f e H g K g S c E c a g e (. . e e . .) a d e C a ' eb e 9 A , 2016.

A **A**

Te A d C ee c e ee de e de -e ec L e D ec . C e e be c de, c a a , M . Pa C e g e a d e be , M . Pa Z e g a d M . W g K a H e , A be .

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

A

D g e Re g Pe d, e A d C ee e d 8 ee g , 6 f c e e d b a f e e .

Session of meeting	Date	Resolutions considered
Te 1 ee g 2017 f e 8 e	10 Ma c 2017	N
Te 2 d ee g 2017 f e 8 e	26 Ma c 2017	O a e c ce g e 2 d ee g 2017 f e A d C ee f e B a d
Te 3 d ee g 2017 f e 8 e	26 A , 2017	O a d g e f , a e f a c a e , f 2017
Te 4 ee g 2017 f e 8 e	3 A g 2017	O a d g e e , f ea e d a d a d e ca c e a f , e P ce Ba P ec La d C a Me c a S e .
Te 5 ee g 2017 f e 8 e	27 A g 2017	O a e c ce g e 5 ee g 2017
Te 6 ee g 2017 f e 8 e	27 Oc be 2017	O a d g e d a e f a c a e , f 2017
Te 7 ee g 2017 f e 8 e	16 N e be 2017	O a d g e ec f 78.15% e e e P e G ba L ed e d CFE
Te 8 ee g 2017 f e 8 e	18 Dece be 2017	N

(4)

C a e Xl
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(6)

D g e Re g Pe d, e R Ma age e C ee ed 3 ee g. 2 f e ee g f e R Ma age e C ee e ed b a f e e .

Session of meeting	Date	Resolutions considered
Te 1 ee g 2017 f e 8 e	26 Ma c 2017	O a e c ce g e 1 ee g 2017
Te 2 d ee g 2017 f e 8 e	27 A g 2017	N
Te 3 d ee g 2017 f e 8 e	26 Se e be 2017	Re eec f c a a

4. A A A

(1)

Te e a a Sa e de f eC a e e a g a de ec e e g effec e e, e C a c e e ege e a ee g ee ea a eA ce fA ca .

TeC a a a a e g d c ca eSa e de b e g e e f a ce a d e a f eG eSa e de g ed c e fa a e , e e , a d a e e , a e a ee a e f ac ca c a e. A e a e e, e e a de- a e ce a e a ab e f eSa e de e e e e e ec e e g . Te a e a e eb ea e e g a da ed ee eSa e de a d e bc ed e ece de e e f eC a a e a e.

Te da e, c e de e e d, a ce e e d a d eSa e de ' g ced e f eC a ' c, d a a d ce f ge e a ee g c c e e ea e f e PRC C a La , e A ce fA ca a d eH gK gL gR e e e e ec e f e Sa e de ' g a e d ege e a ee g. P a eA ce fA ca , eSa e de ( ) (a e) e ed e e e a f eC a a e ec e da e e e eC a .

D g e Re g Pe d, eC a e da a f 5 ge e a ee g, c d g: 3 ge e a ee g, 1 A Sa e de ' ca ee g a d 1 H Sa e de ' ca ee g.

C a e Xl
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(2) A

Position	Name	General meeting attended	5 general meetings convened in this year Time of attendance	Attendance rate(%)
C a, a	Wa gH g	Sec de ,a ,d a, ge e,a ee gf , 2017	1	25
Vcec a, a	Wa gY a g		0	0
D,ec ,	Ma B a g	A a ge e,a ee gf , 2016, f, AS a,e de, 'ca ee g f , 2017, f, HS a,e de, ' ca ee gf , 2017, ec d e ,a ,d a, ee gf , 2017	4	80
D,ec , (ffce 26 H Xa Se e be, 2017)			0	0
D,ec , (e g ed 7 A g 2017)	Wa gZ a		0	0
D,ec ,	L C g	A a ge e,a ee gf , 2016, f, AS a,e de, 'ca ee g f , 2017, f, HS a,e de, ' ca ee gf , 2017, f, e ,a ,d a, ee gf , 2017	4	80
I de e de d,ec ,	Pa C e g e	A a ge e,a ee gf , 2016, f, AS a,e de, 'ca ee g f , 2017, f, HS a,e de, ' ca ee gf , 2017	3	60
I de e de d,ec ,	Pa Z e g,	A a ge e,a ee gf , 2016, f, AS a,e de, 'ca ee g f , 2017, f, HS a,e de, ' ca ee gf , 2017, f, e ,a ,d a, ee gf , 2017	4	80
I de e de d,ec ,	W gK a He , Abe,	A a ge e,a ee gf , 2016, f, AS a,e de, 'ca ee g f , 2017, f, HS a,e de, ' ca ee gf , 2017	3	60

De a ,e a ed a eab e ge e,a ee g a e bee e e,ee a a ce e b ed e eb e f eS e S c E c a ge, C f eb e(.c f.c .c), e eb e f eH gK gS c E c a ge(. e e .)a d eC a ' eb e.

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

7. [illegible]

[illegible]

8. [illegible]

[illegible]

9. [illegible]

[illegible]

C a e XI
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10. A A A A

(1)

I 2017, eC a e ab ed ac e e e, a age e a d e, a c e c c a ce e e f C a Sec e Reg a C , e CSRC S e e B ed a d eH gK gS c. E c a ge. Acc d g eC e a Be c a f E e el e a C a d g da ce ed b f e e a dde a e f C a, e e e f eC a eG e a ce C dea d eC a eG e a ce Re de eH gK gL gR e a d b efe g g d g d c e c a COSO C a eR. Ma age e Q e a F a e a d ISO31000 R. Ma age e P c e a d G de e, eC a a de g ed, e e ed a d ed e a age e a d e, a c e. T e c f f e a, a e a age e a eg, g e f a age e, ec e f a age e, f a e f a age e a d a age e c e. T e e de e de ce a d e g a g eac a a e effec e e f e a age e a d e, a c e. Fea ed b d c d f e a d e b e,

(2) A

The Chief Executive Officer is responsible for the overall management of the Company's business and operations, including the implementation of strategic plans and policies approved by the Board. The Chief Executive Officer is also responsible for the day-to-day management of the Company's operations and the execution of the Company's strategic plans and policies. The Chief Executive Officer is responsible for the overall management of the Company's business and operations, including the implementation of strategic plans and policies approved by the Board. The Chief Executive Officer is also responsible for the day-to-day management of the Company's operations and the execution of the Company's strategic plans and policies.

The Chief Executive Officer is responsible for the overall management of the Company's business and operations, including the implementation of strategic plans and policies approved by the Board. The Chief Executive Officer is also responsible for the day-to-day management of the Company's operations and the execution of the Company's strategic plans and policies. The Chief Executive Officer is responsible for the overall management of the Company's business and operations, including the implementation of strategic plans and policies approved by the Board. The Chief Executive Officer is also responsible for the day-to-day management of the Company's operations and the execution of the Company's strategic plans and policies.

The Chief Executive Officer is responsible for the overall management of the Company's business and operations, including the implementation of strategic plans and policies approved by the Board. The Chief Executive Officer is also responsible for the day-to-day management of the Company's operations and the execution of the Company's strategic plans and policies. The Chief Executive Officer is responsible for the overall management of the Company's business and operations, including the implementation of strategic plans and policies approved by the Board. The Chief Executive Officer is also responsible for the day-to-day management of the Company's operations and the execution of the Company's strategic plans and policies.

In 2017, according to the Chief Executive Officer's assessment of the Company's performance against the key performance indicators set by the Board, the Chief Executive Officer achieved a score of 95% out of the maximum score.

C a e, XI
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(3)

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

Case XII

C a e XII
A

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KEY AUDIT MATTERS (Continued)

Key Audit Matters	How our audit addressed the Key Audit Matter
1. Impairment of long-term receivables Refe N e II.10 Acc g c f ece abe , N e II.34 (1) C ca acc g e a e a d dge e a e f ece abe , N e IV.9 C e f -c e a e a d N e IV.12 L g- e ece abe ef a ca a e e . A a 31 Dece be 2017, e e a e f f a ca ea e ece abe e g- e ece abe (c d g e d e e ea) e G c da ed ba a ce ee a a ed RMB16,807,361,000. I 2017, e G ade a a e a d g- e ece abe (c d g e d e e ea) f RMB123,659,000 e c da ed c e a e e . T e a age e e f ed ec ed e f a ca ea e ece abe . g- e ece abe de f a e , a g acc e e ee a e ec d , e ec f e e ee a d eg a a , e ec e abe a e f e ea ed a e a d e d e f e e ee b e . S ecfc ade f f a ca ea g ece abe g- e ece abe bec e e de ce f a e , e f a ca ea e ece abe g- e ece abe f c ecfc . d be ca fed acc d g a ced a da e c ec e a e ed f a e g e de a a e d. T e ecfc ea ed a e d ffe e ce be ee e g- e ece abe ' ca g a a d e e e a e f e e a ed f ece ca f . T e e a ed c de: e f e a e ab f e e ee a d e a e e d a a e f e ea ed a e a d ed a e. U de de a a e d, e e a ed a e f e a e de e ed b ca a e a d e e ge ce e d. We f d ed a ea d e e fac a g fca dg e e e ed d g a e de fca a da e e ce f f a ca ea g ece abe g- e ece abe .	We a e e f ed e f g ced e add e e a d a e:

KEY AUDIT MATTERS (Continued)

Key Audit Matters	How our audit addressed the Key Audit Matter
2. **Impairment of goodwill allocated to the offshore engineering asset group, the heavy truck asset group and Energy, Chemicals and Liquid Food Equipment asset group** Refe N e II.20 Acc g c f a, e f g-e a e, N e II.34 (2) C, ca acc ge a e ad dge e a, e f g-e a e ad N e IV.19 G d ef a ca a e e . A a 31 Dece be, 2017, e e, a e fg d f eG ec da ed ba a ce ee a a ed RMB2,112,445,000, a g c RMB229,460,000 a a ca ed ff, e e g ee, g a e g e RMB38,815,000 a a ca ed ea, c. a e g , a d RMB1,036,235,000 a a ca ed e e g, c e ca a d L d f de e a e g . I 2017, e G ade a, f , a d RMB38,000,000 a d e g d a ca ed e ff, ee g ee, g a e g , ea, c. a e g a d e e g, c e ca a d L d f de e a e g , e ec e, e c da ed c e a e e . I 2017, e e, a e f, a ce f e a e g ee d, e e be e eca a d e e a a, f a, e . T e a age e ade e c,, e d g a, e , e ba ed ed ffe e ce be ee, ec e, ea be a a d ca,, g a f, ee a a e g , c b a f a e g e c de e a ca ed g d . T e a a ed c de f , e, e e g , a e, g a g , e e e, a e a dd c , a e . We f c ed a, ea d e e fac a g f ca dge e e, e e ed e a f a e g e g d a, e .	We a e e f, ed e f g, ce d e add e e a d a e: We de, d, e a a ed a d a da ed e effec e e f e e, a c , , ega d g g d a, e e , c d g e ad f e a a d e, e e a da , a f a, e , . We ba ed a age e ' , ee f a, e f g d a ca ed e ff, e e g ee, g a e g , e ea, c a e g a d E e g, C e ca a d L d F d E e a e g . We a e ed e e, e g d a ca ed e , e e a a e g , c b a f a e g a, ea ab e a . We e ed e a e a ca acd, ac f e ca d a . We c a, ed a age e ' f, eca 2016 G d I a, e , ee aga ea c a e f, a ce 2017 c ec e e, e e a age e ba e g d a, e a e e , ce . We a a ed e, a a f a age e ' a f e, e e e g , a e, g a g a d e e e, a e b c de, g e , ca e a f e, e e a a e g , e d , e d, e e g g a e , e a d c a g d e ec e f ca e. We e a a ed e d c , a e b g e e e f eca . We e f, ed e e g a g a d d c , a e . Ba ed , , e f, ed, e f d a a age e ' e a g d a, e e a , ed b e e de ce ega e ed.

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KEY AUDIT MATTERS (Continued)

Key Audit Matters	How our audit addressed the Key Audit Matter
3. Impairment of fixed assets Refe N e II.20 Acc g c f a, e f g-e a e, N e II.34 (2) C ca acc ge ae a d dge e a, e f g-e a e a d N e IV.15 F eda e ef a ca a e e . A a 31 Dece be 2017, e e a e ff ed a e f e G c da ed f a ca a e e a RMB22,941,021,000. I 2017, e G ade a f, a, e f f a e f RMB20,252,000 e c da ed c e a e e . A e baa ce ee da e, e G a e ed e e, e a a dca a e f ed a e e a, ed a d f, e, a, e e d be e f, ed f, e a, e dca , . If e, e f e a, e e dca e e, ec e abe a f af eda e , a e g e a b a e, e dffe, e ce a be acc ed f, a a, e a d c ded e a, e . T e , ec e abe a e e g e, f a a e , a e g ' fa, a e e c e a d e , e e a e f e , eca f e ec ed be de, ed f, e a e , a e g . I 2017, e a, e dca , e ed f, e f ed a e f, e b da e f e G a ffe, ed f, e , fe , f , e , d c a . T e a age e a e ed e a, e ba ed a e age a b g e fa, a e e c e e d ad e , e e a e f e , eca f e d, e ec e . T e e a e a g e, ec e abe a c de e de e, a f a e g , e, ed c f d ed a ea de e e f d a; e e a e e, e e a e f e , e ca f e d c de e, e e g , ae, g a g , e e e, ae a dd c , ae . We f d ed a, ea d e e fac a g f ca dge e e, e e ed e a f a e g e a, e ff ed a e .	We e e f, ed e f g , ced, e add e e a d a e: We de, d, e a a ed a d a da ed e effec e e f e, a c , , ega d g f ed a e a, e e , c d g e ad f e a a d e, e e a d a , a f a, e , . We e f, ed de e de a e e , a a e ba , de e, e e e, e g f a e e a e g f a e a abe ge e, a e de e de ca f . We ba e f ed a e a, e e , ee f, e a, e dca , . F, e ad ed e , e e a e f e , eca f e d, e e ed e acc, ac f e ca d a , a a e ba , f, e e f, ed e f g , ced, e : C a, ed a age e ' f, eca 2016 f ed a e a, e e , ee aga e ac a e f, a ce 2017 c ec e e, e a age e ba e f ed a e a, e a e e , ce . A a ed e, a a f a age e ' a f , e, e e e g , a e, g a g a de e e, a e b c de, g e , ca e, a f e, e e a a e g , e d , , e d , e e g g a e , ea d c a g d e ec e f ca e. E a a ed e a , , a e e f d c , a e b g e e e, e f eca . Pe f, ed e e g a g a d d c , a e . F, e fa, a e e c e e d, e a e ed e, a a b c a, g e e a edd a a e f e f ed a e a d, ea a , a e aga e a. e , ce f a, a e . Ma age e ' e a ad ed e f ed a e a, e e a, e e acce abe, a ge.

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KEY AUDIT MATTERS (Continued)

Ke A d Ma e,	H , a d add, e ed e Ke A d Ma e,

5. Purchase price allocation for acquisition of SOE

Refe, N e II.5 Acc g c f B e
C b a , N e V.1 B e c b a
l l ge e, e de, c c,

O 4 A g 2017, a d, ec - ed
b d a, f e G , CIMC E, c l, e e
H d g (S e e) L d. (EIHL) ac , ed 100% f
e ed a, e SOE a a ca c de, a
f RMB799,800,000. T e, a ac fe de,
e c e f B e C b a acc, d g
Acc g S a da, d f, B e E e, e a 0 d g 0d g 0.5( )0.5( )0.5( )0.5(,85 T 7)0.5(,)ec -6e c .5(,)e
A <e, , a , c a]TJ0.0166Tc 0.086 T 0*[(de, f ab a ed ac d ab f SOE)

OTHER INFORMATION

Ma age e f CIMC e bef e f a .T e f a c e a f e f a c ded 2017 a a e f CIMC e a ef a ca ae e ad ad e e .

O ef a ca ae e de c e e f a ad ed e e a f f a ace c e .

I c ec ad f ef a ca ae e , e b ead e f a ad, d g c de e e e f a ae a c e ef a ca ae e , edge ba ed ead e e ea be ae a aed. If, ba ed e e ae ef ed, e c c de a e a ae a ae e f f a , ea e ed e a fac . We ae g e ega d.

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

Ma age e f CIMC e bef e ea a ad fa ee a f ee ef a ca ae e acc da ce e CAS , a d f c e ac a a age e de e ece a e abe e ea a ff a ca ae e a ae ef eef ae a ae e , e e de fad e .

I ea g ee ef a ca ae e , a age e e bef a e g CIMC' ab c ea ag g c ce , d c g, a a cabe, a e ea ed g g c ce a d g eg g c ce ba facc g e a age e e e ed da e CIMC cea e e a , ae ea ca e a eb d .

T ec a ged g e a cea e e bef e ee g CIMC' f a ca e g ce .

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT

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

We a , l de e c a ged g l e, a ce a a e e a e a e c ed , e a e ca , e e e , ega d g de e de ce, a d c ca e e a , ea a d e, a e, a a , ea ab be g bea , de e de ce, a d e, e a cab e, , ea ed afe g a d .

F, e a e, c ca ed e c a ged g l e, a ce, e de e, e e a e, a e, e f g f ca ce e a d f e f a ca a e e f e c , e e, d a d a e, e e f, e e . a d a e, . We de c be e e a e, , a d , ' e , e a , , eg a , ec de b c d c , e ab e a e, , e , e e , a e c, c a ce , e de e, e a a a e, d be c ca ed , , e , beca e e a d e, e c e e ce f d g d, ea ab be e ec ed eg e b c e, e be ef f c c ca .

P, ce a e, eC e, Z gTa LLP — Ce, fed P b c Acc a — Z We, a (E gage e Pa e,)

S a g a, e Pe e' Re b c f C a — Ce, fed P b c Acc a — Ca Z fe g

27 Ma, c 2018

Af_nrcp VGGG

Financial Statements Prepared in Accordance with CASBE

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&Clejgqf Rp_lqj_rgml dmp Pcdcpclac Mljw'

CONSOLIDATED BALANCE SHEET

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

C a e XIII

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

C a e XIII

A a 31 Dece be 2017
(A a RMB'000 e e a ed)
(E g Ta a f Refe e ce O)

BALANCE SHEET

	N e	31 December 2017	31 Dece be 2016
ASSETS			
Current assets:			
Ca a ba a d a d	XVI.1	1,366,876	2,660,222
D de d ece abe	XVI.2	4,918,369	4,755,818
O e ece abe	XVI.3	13,197,142	13,131,416
O e d e a e		5,771	9,272
Total current assets		19,488,158	20,556,728
Non-current assets:			
A a abe-f - aef a ca a e	XVI.4	388,905	388,905
L g- e e e	XVI.5	9,583,886	9,375,276
F eda e	XVI.6	143,131	102,372
C c g e		56,326	844
D a ff eda e		1,117	
I a gbea e		14,207	14,466
L g- e e ade e e		29,627	40,730
Defe ed a a e	XVI.15	73,140	52,280
Total non-current assets		10,290,339	

C a e, XIII

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

	N e	31 December 2017	31 Dece be, 2016
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
S , - e, b , , g	XVI.7	350,000	2,710,000

C a e, XIII
Financial Statements Prepared in Accordance with CASBE

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

CONSOLIDATED INCOME STATEMENT

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

For the year ended 31 December 2017
(Amounts are stated in RMB'000 unless otherwise indicated)
(Except for percentages)

INCOME STATEMENT

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

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

Legal representative: Ma Bang | Person in charge of accounting affairs: Zeng Hao | Person in charge of the accounting department: Zeng Hao

C a e XIII

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

CONSOLIDATED CASH FLOW STATEMENT

	N e	2017	2016
Item			
I. Cash flows from operating activities			
Ca ecei ed f ae fg d e de g f e ce		76,044,774	49,660,627
Re d f a e ad c a ge		2,743,233	1,996,152
Ca eceied ea g e ea gac e	IV.65(1)	1,691,926	475,604
Sub-total of cash inflows		80,479,933	52,132,383
Ca adf g d a d e ce		61,590,642	37,875,868
Ca ad a d be af fe ee		6,210,535	6,052,008
Pa e f a e a d c a ge		2,585,689	1,292,403
Ca adea g e ea gac e	IV.65(2)	5,817,688	4,570,485
Sub-total of cash outflows		76,204,554	49,790,764
Net cash inflows from operating activities	IV.66(1)	4,275,379	2,341,619
II. Cash flows from investing activities			
Ca eceied f d a f e e		9,728,843	227,461
Ca eceied f e e		58,824	224,760
Ne ca eceied f d a ff eda e , a gbe a e ad e g-e a e		986,733	904,597
Ne ca eceied f d a f b da e	IV.66(3)	475,629	206,421
Ca eceied ea g e e gac e	IV.65(3)	189,452	446,920
Sub-total of cash inflows		11,439,481	2,010,159
Ca ad a ef eda e a gbe a e ad e g-e a e		1,707,232	7,239,592
Ca ad a e e		10,748,209	886,860
Ne ca ad a e b da e	IV.66(2)	564,145	738,362
Sub-total of cash outflows		13,019,586	8,864,814
Net cash outflows from investing activities		(1,580,105)	(6,854,655)

For the year ended 31 December 2017
(Amounts are expressed in RMB'000 unless otherwise stated)
(Figures in brackets refer to Old CAS)

Item	Note	2017	2016
III. Cash flows from financing activities			
Cash received from capital contributions		2,803,150	1,768,906
Including: Cash received from capital contributions by non-controlling shareholders of subsidiaries		2,771,957	1,760,575
Cash received from borrowings		59,930,549	54,548,656
Cash received from bond issuance		–	7,986,500
Cash received relating to other financing activities	IV.65(4)	16,474	3,755
Sub-total of cash inflows		62,750,173	64,307,817
Cash repayments of borrowings		62,807,109	52,820,203
Cash payments for distribution of dividends or profits or settlement of interest expenses		2,866,790	3,228,079
Including: Cash payments for distribution of dividends or profits to non-controlling shareholders of subsidiaries		396,376	161,253
Cash payments relating to other financing activities	IV.65(5)	613,427	748,489
Sub-total of cash outflows		66,287,326	56,796,771
Net cash (outflows)/inflows from financing activities		(3,537,153)	7,511,046
IV. Effect of foreign exchange rate changes on cash and cash equivalents		(53,931)	81,534
V. Net (decrease)/increase in cash and cash equivalents	IV.66(1)	(895,810)	3,079,544
Add: Cash and cash equivalents at the beginning of the year		6,338,667	3,259,123
VI. Cash and cash equivalents at the end of the year	IV.66(4)	5,442,857	6,338,667

The accompanying notes form an integral part of these financial statements.
The legal representative: Chief Accountant: Head of accounting department:

Chapter XIII

For the year ended 31 December 2017
(Amounts in RMB'000 unless otherwise stated)
(Figures in brackets refer to one year ago)

CASH FLOW STATEMENT

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

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

Legal representative: Ma Bang | Person in charge of accounting affairs: Zeng Hao | Head of accounting department: Zeng Hao

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2017
(All amounts are expressed in RMB'000 unless otherwise stated)
(Figures in brackets refer to Chinese GAAP)

Item	Note	2017										
		Attributable to shareholders and other equity holders of the Company										
		Share capital	Other equity instruments	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits	Minority interest	Total shareholders' equity
Balance at the beginning of the year									
Changes for the year									
Net profit									
Other comprehensive income									
Total comprehensive income									
Capital injection by shareholders									
Appropriation of profits									
Balance at the end of the year									

Item	2016										
	Attributable to shareholders and other equity holders of the Company										
	Share capital	Other equity instruments	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits	Minority interest	Total shareholders' equity
Balance at the beginning of the year								
Changes for the year								
Net profit								
Other comprehensive income								
Total comprehensive income								
Capital injection by shareholders								
Appropriation of profits								
Balance at the end of the year								

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2017
(All amounts are expressed in RMB'000 unless otherwise stated)
(Prepared under International Financial Reporting Standards)

Item	Note	2017							2016						
		Share capital	Other Equity instruments	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits	Total shareholders' equity	Share capital	Other Equity instruments	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits	Total shareholders' equity
I. Balance at 31 December 2016		2,978,577	2,049,035	3,287,149	43,754	3,279,379	2,380,348	14,018,242	2,977,820	2,033,043	3,279,575	43,754	3,203,578	1,403,140	12,940,910
II. Movements for the year															
(I) Total comprehensive income															
1. Net profit		–	87,808	–	–	–	(8,702)	79,106		119,792				1,707,831	1,827,623
2. Other comprehensive income	XVI.17	–	–	–	–	–	–	–							
Sub-total of 1 & 2		–	87,808	–	–	–	(8,702)	79,106		119,792				1,707,831	1,827,623
(II) Capital contribution and withdrawal by owners															
1. Increase in perpetual debt	IX.2	–	–	–	–	–	–	–							
2. Increase in capital reserved for share-based payment	IV.44														
	IV.46	4,312	–	43,746	–	–	–	48,058	757		7,574				8,331
(III) Profit distribution															
1. Appropriation to surplus reserve	IV.48	–	–	–	–	2,156	(2,156)	–					75,801	(75,801)	
2. Profit distributed	IV.49	–	–	–	–	–	(179,837)	(179,837)						(654,822)	(654,822)
3. Interest paid on perpetual debt	IV.45	–	(103,800)	–	–	–	–	(103,800)		(103,800)					(103,800)
III. Balance at 31 December 2017		2,982,889	2,033,043	3,330,895	43,754	3,281,535	2,189,653	13,861,769	2,978,577	2,049,035	3,287,149	43,754	3,279,379	2,380,348	14,018,242

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

Legal representative: Ma Bang

Person in charge of accounting affairs: Zeng Hao

Head of accounting department: Zeng Hao

Case XIII

For the year ended 31 December 2017
(All amounts are expressed in RMB'000 unless otherwise stated)
(Except for the number of Reference Notes)

NOTES TO THE FINANCIAL STATEMENTS

I. GENERAL INFORMATION

China Merchants Energy Shipping Co., Ltd. (the "Company"), formerly China Merchants Energy Shipping Co., Ltd., a sino-foreign joint stock limited company incorporated in the People's Republic of China (the "PRC"), was established on 31 December 1992, approved by Shen Fu Ban Fu [1992] No. 1736 issued by the General Office of the People's Government of Shenzhen Municipality and Shen Fu Ban Fu [1992] No. 261 issued by Shenzhen Economic Zone Branch of the People's Government of Guangdong Province, and registered with the Shenzhen Administration for Industry and Commerce. The Company was converted into a joint stock limited company on 31 December 1993 and registered with the Shenzhen Administration for Industry and Commerce on 17 January 1994. The Company issued domestic listed RMB ordinary shares (A Shares) and foreign listed foreign shares (B Shares), and was listed on the Shenzhen Stock Exchange. Approved by Shen Fu Ban Fu [1993] No. 925 issued by the General Office of the People's Government of Shenzhen Municipality and Shen Fu Ban Fu [1994] No. 22 issued by Shenzhen Securities Administration Office on 1 December 1995, and approved by the State Administration for Industry and Commerce, the Company changed its name to China Merchants Energy Shipping Co., Ltd. The registered address and the address of the head office of the Company is 8/F, CIMC R&D Center, 2 Gangwan Avenue, Shekou, Nanshan District, Shenzhen, Guangdong, PRC.

On 19 December 2012, the Company's controlling shareholder changed from China Merchants Group Limited ("CMG") to China Merchants Holdings (International) Company Limited ("CMHI"). Therefore, CMHI became the ultimate holding company of the Company. Hereinafter, CMG and its subsidiaries collectively referred to as the "Holding Group".

The Company and its subsidiaries (hereinafter collectively referred to as the "Group") are principally engaged in the provision of international and domestic shipping transportation services for crude oil, petroleum products, chemicals, liquefied natural gas and liquefied petroleum gas; ship management services; ship agency services; ship chartering services; ship sale and purchase services; ship repair services; ship supplies services; and other ancillary services relevant to shipping transportation. The Group is also engaged in the operation of floating production, storage and offloading ("FPSO") units, floating storage and offloading ("FSO") units, floating liquefied natural gas ("FLNG"), liquefied petroleum gas ("LPG") and other offshore facilities. As at the end of the reporting period, the Group is engaged in the operation of a fleet of vessels and offshore facilities, and provides ship management services, ship agency services and other ancillary services.

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I. GENERAL INFORMATION (CONTINUED)

Pea e efe N e VI f de a f b da e c ded e c e fc da a da efe N e V.1 f e de a f b da e e c ded e c e fc da . Pea e efe N e V.2 f e de a f b da e e c ded f e c e fc da .

T f a ca a e e a e bee a ed f a ce e b e C a ' B a d f D ec 27 Ma c 2018.

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

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

6. Preparation of consolidated financial statements

Te c e fc da edf a ca ae e ba ed c , a d ec da edf a ca ae e c , e eC a a d b da e.C , ea eg a g e e ede , a d c d ga e , g e e ee a e a a eab affec e e , g e e .Tef a ca , f a ca e f , a ce a d ca f f b da e a e c ded ec da edf a ca ae e f edae a c , c e ce edae a c , cea e.

We ea b da a ae ed , g e e , g e d, , g ab e c b a g e e , e de c c , ef a ca ae e f e b da e c ded ec da ed f a ca ae e a f ec b a ad cd ,,eda edae a e aec , g a f, ba edc , .Te e gbaa ce a d ec a a efg e f ec da edf a ca ae e a e a ed.I e e a a f ec da edf a ca ae e , e b da ' a e a d ab e ba ed e ca , ga a e c ded ec da ed baa ce ee, a d f a ca e f , a ce c ded ec da ed c e a e e ,,e ec e , f edae a e ae a e c a f eC a ba ec , f e b da bec da ed.

We ea b da a ae ed , g e e , g e d, , g ab e c b a g e e , e de c c , e de fabe a e a d ab e f ea ed b da e a e c ded e c e fc da f edae a c , c e ce , ba e e fa a e f e de fabe a e a d ab e a ea da e.

F ab e c b a g e e , e de c c , a d ac ed age , e G e ea e e - ede e e ea ee fa a e a ea da e.T e dffe e ce be ee e fa a e a d e ca , ga ec g eda e e c ef , ec ,,e e d; ea ec g ed e c e e e c e ea g e e - ede e e ea ee eca fed a e e c ef , ec ,,e e d.

We e eC a ae ea , e e f a b da ' , a e de , d e fa , fa e e a b da ac age c , , ed ffe e ce be ee ea b c e , e e a ead ed a d ea f ec de a a d ,,eca ed ad ed e c , e (ca a ,) ca a , e e e ec da edbaa ce ee. If ec ed baa ce f c , e (ca a ,) ca a , e e e ffce , a ece ad ed , ea ed ea g.

We eG ec , fa b da d e ed a fa , fa e e , eG de ec g e a e , ab e , , e e a d e , ea ed e e ' e , ea a b da .T e , e a ge e e , e ea , eda fa a e a ed a e ec , .A ga , e e ef , e c ,,eda e , ec g eda e e c ef , ec ,,e e d e c , .

We ea f f , ec ,,e e da , b abe e , a e de , fa b da , e ceed e , a e de ' , f e e gbaa ce f a e de ' e f e b da , , ee ce a ca ed aga e , e e .

For the year ended 31 December 2017
(All amounts are expressed in RMB'000 unless otherwise stated)
(Figures in this report are prepared in accordance with PRC GAAP)

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

6. Preparation of consolidated financial statements (Continued)

We accounting standard, accounting practice and the financial statements prepared by the Company are in accordance with the requirements of the Accounting Standard for Business Enterprises issued by the Ministry of Finance, and truly and completely reflect the financial position, operating results, changes in shareholders' equity and cash flows of the Company and other information.

A subsidiary is an entity controlled by the Company (including enterprises, separable parts of investee entities and structured entities controlled by the Company). Control means the power over the investee, variable returns from the investee, and the ability to affect the amount of returns by using the power over the investee. Subsidiaries are consolidated from the date on which control is transferred to the Company and are deconsolidated from the date that control ceases. For subsidiaries acquired through business combinations involving entities under common control, the results of operations and cash flows of the subsidiaries are included in the consolidated financial statements from the beginning of the period in which the business combination occurs. The comparative financial statements are restated as if the reporting entity after the combination had existed from the date when the ultimate controlling party first obtained control. For subsidiaries acquired through business combinations not involving entities under common control, the results of operations and cash flows of the subsidiaries are included in the consolidated financial statements from the date on which control is obtained by the Company. The financial statements of subsidiaries are adjusted based on the fair values of identifiable assets, liabilities and contingent liabilities determined at the acquisition date.

The difference between the cost of a business combination and the Company's interest in the fair value of the identifiable net assets obtained in the business combination is recognised as goodwill.

7. Cash and cash equivalents

Cash comprises cash on hand and deposits that can be readily drawn on demand. Cash equivalents are short-term (generally maturity of three months or less from the date of acquisition), 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 foreign currency transactions occur, the Company converts the foreign currency amounts into the amounts denominated in the functional currency using the spot exchange rates on the dates of the transactions. On the balance sheet date, foreign currency monetary items are translated using the spot exchange rates on the balance sheet date. Exchange differences arising from these translations are recognised in profit or loss for the current period, except for those arising from foreign currency borrowings specifically for the acquisition or construction of assets eligible for capitalisation, which are capitalised as part of the cost of the assets during the capitalisation period.

A foreign currency monetary item is translated using the spot exchange rate on the balance sheet date. The resulting exchange differences are recognised in profit or loss for the current period. A non-monetary item denominated in a foreign currency that is measured at historical cost is translated using the spot exchange rate on the transaction date. The amount denominated in the functional currency is not changed. A non-monetary item denominated in a foreign currency that is measured at fair value is translated using the spot exchange rate on the date when the fair value is determined. The resulting exchange differences are recognised in profit or loss for the current period.

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

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

9. Financial instruments (Continued)

(1) Financial Assets (Continued)

(a) Classification of financial assets (Continued)

b. Rece abe

Rece abe a e -de a e f a ca a e f ed de e abe a e a a e ed a ac e a e.

c. A a abe-f - ae f a ca a e

A a abe-f - ae f a ca a e a e -de a e a a ee e de g a ed ca eg ca fed a f e e ca eg e. T e a e c ded -c e a e e e a e a e a age e e d d e f 12 f ee d f e e g e d.

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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

T e G a e e eca g a ff a ca a e e a ea fa a e g f a eac ba a ce ee da e. If e e bec e ce de ce a af a ca a e a ed, e G de e e ea f a e .

Ob ec e ce d ca g af a ca a e a ed e e a e ac a a e b e e a ec g f ef a ca a e a de e e ce ef a ca a e ' e a ed f eca f c ca be e ab ea ed b e G .

E de ce f ed- - a e a ed c e a g f ca g ed dec e efa a e fa e a e be c . T e G a e e a ab e-f - ae f a ca a e a d d ba a eac ba a ce ee da e. I a e d be ec g ed f efa a e fa e e a a 50% (50% c e) f a e e c eca e a efa a e a bee e a e a e e c f e a e ea (e ea c e). T e G c de e e ce a fac , c a e ce a , de e e e a a e d be ec g ed f e e e f e dec e efa a e fa e e e a 20% (20% c e) b e a 50% f a e e c . Te a e e c f ed- - a e e ca a ed g e eg ed a e age e d.

W e a a e af a ca a e ca ed a ed c a cd ed, ea f ea ed a e d ffe e ce be ee e a e' ca g a ad e e e a e f e a ed f eca f (e c d g f ec ed e a a e bee c ed). If e e bec e ce de ce a e a e f ef a ca a e ec e ed ad e ec e ea ed bec e a e ce cd g afe e a e a ec g ed, e e ec g ed a e e e ed ad ea f e a ec g ed f .

W e a a ab e-f - ae f a ca a e a ed, ec a e a g f dec e fa a e a bee ec g ed d ec e ec fed f . If, afe a a e a bee ec g ed a a ab e-f - ae deb e , efa a e f e deb e c ea e a b e e e d ad e c ea e ca be bec e ea ed a e cd g afe e a e a ec g ed, e a e e e ed g f . A a e ec g ed f a e e a e ca fed a a ab e-f - ae e e ed g e .

W e a a e a a ab e-f - ae f a ca a e a cd ed, ea f

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

9. Financial instruments (Continued)

(3) Determination of fair value

T e fa l a e f a f a ca e a aded a ac l e a e de e ed a e ed ce
e ac l e a e . T e fa l a e f a f a ca e a aded a ac l e a e de e ed
b g a a a e l a ec e a a cab e d e c d a ce a d ed b
ff ce a a abe da a a d e f a . Va a ec e a c de a e a ac a d
c ea ac . W e a g a a ec e , ed b a e a c a e a ac f
ea e ab e a c a ac e c d be ed a d b e abe d be g e
e e e be . U b e abe d be ed e be ac cab e b a
e a b e abe , 1.333 TD]TJ0.333 TD[(5(.)3e [d be g.0085 T ((3))T /S a <</Ac a Te <FEFF0009BDC (

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

10. Receivables (Continued)

If, after the receivables have been recognised, there is objective evidence that the carrying amount of the receivables is reduced and the reduction amount is recognised, the Company recognises impairment provision for the receivables and recognises the amount of the reduction as impairment loss in profit or loss for the current period.

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

Criteria for individually significant receivables and basis for provision for impairment	Individually significant receivables are receivables with amount of RMB10 million (inclusive) and above, and 5% of the balance of receivables.
Method for individually significant receivables and basis for provision for impairment	At the end of the period, the Company conducts impairment tests on individually significant receivables. If there is objective evidence that impairment has occurred, impairment loss is recognised based on the difference between the present value of future cash flows (excluding future credit losses that have not occurred) discounted at the original effective interest rate and the carrying amount.

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

Criteria for individually insignificant receivables and basis for provision for impairment	Where receivables are not individually significant, they are grouped with receivables with similar credit risk characteristics for impairment testing.
Method for individually insignificant receivables and basis for provision for impairment	At the end of the period, the Company conducts impairment tests on individually significant receivables. If there is objective evidence that impairment has occurred, impairment loss is recognised based on the difference between the present value of future cash flows (excluding future credit losses that have not occurred) discounted at the original effective interest rate and the carrying amount.

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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

F ece abe a a e bee d d a a e ed a a ed (1) a d (2), f e a e e ade c ec e a g ba ece abe a a e a ed c a ac e c .

De e a e d f e g ba ed c ed c a ac e c

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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)

Me d f f ece abe a e ed ac ec g ba (ba ed a age ga a , a e ce age f e a baa ce a d e).

C a e P l de e ed ba ed a ag ga a (Q e d e ag g)

R ad a a l e ce P l de e ed ba ed a ag ga a (Q e d e ag g)

E e g, c e ca a d d f d e e P l de e ed ba ed a ag ga a (Q e d e ag g)

A f fac e P l de e ed ba ed a ag ga a (Q e d e ag g)

L g c e ce P l de e ed ba ed a ag ga a (Q e d e ag g)

O e b e P l de e ed ba ed a ag ga a (Q e d e ag g)

F a ce ea e ece abe P l de e ed ba ed de a a

Ba . acce a ce e N l de e ed.

F eab e g , l ade ba ed e e ec e age ga a f :

Ageing	Percentage of total accounts receivable (%) Group 1,2,4,5,6	Group 3
W 1 ea (c l e)	5%	0%-5%
1 2 ea (c l e)	30%	30%
Q e 2 ea	100%	100%

(4) W e e G a fe e acc ece abe e f a ca ec e, ed ffe e ce be ee e ceed ece ed f e a ac a d e ca g a a d e ea ed a e ec g ed f f f ec e e d.

Chapter XIII

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

11. Inventories

(1) Classification

Inventories are classified as raw materials, work in progress, finished goods and consumables. Inventories are initially measured at cost and subsequently measured at the lower of cost and net realisable value.

(2) Cost of inventories

Cost of inventories is determined 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 stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated selling expenses and related taxes. Provision for decline in the value of inventories is made for the excess of cost over net realisable value (see Note II.16). In addition, provision for decline in the value of inventories is made for obsolete and slow-moving inventories and inventories with cost higher than net realisable value.

For the year ended 31 December 2017
(All amounts in RMB'000 unless otherwise stated)
(Language of the Reference Only)

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

12. Long-term equity investments

Long-term equity investments are initially measured at cost. Long-term equity investments are subsequently measured using the equity method.

Chapter XIII

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 cost method, except for investments made by the Company in subsidiaries, investments in associates and joint ventures are accounted for using the equity method. If the cost of long-term equity investments accounted for using the cost method exceeds the investor's share of the fair value of the investee's identifiable net assets at the time of acquisition, the long-term equity investments are measured at the initial investment cost. If the investor's share of the fair value of the investee's identifiable net assets at the time of acquisition exceeds the initial investment cost of long-term equity investments accounted for using the cost method, the difference is included in the profit or loss for the current period, and the cost of long-term equity investments is adjusted at the same time. For long-term equity investments accounted for using the equity method, the investor recognises its share of net profit or loss and other comprehensive income of the investee, and adjusts the carrying amount of long-term equity investments at the same time. The investor recognises its share of profit or loss and other comprehensive income of the investee after making adjustments to the net profit of the investee based on the fair value of the investee's identifiable assets at the time of acquisition in accordance with the Company's accounting policies or accounting period. Unrealised gains or losses arising from transactions between the Company and its associates and joint ventures are eliminated to the extent of the Company's interest in the investee on the basis of unrealised profit or loss attributable to the Company, and the investment gains or losses are recognised on the basis of the elimination. However, unrealised losses arising from transactions between the Company and the investee that are attributable to impairment losses of the transferred assets are not eliminated.

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

Control is the power over an investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the investor's returns.

Joint control is the agreed sharing of control over an arrangement by way of contractual agreement, and decisions about the relevant activities of the arrangement require the unanimous consent of the parties sharing control.

Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over the formulation of these policies.

(4) Impairment of the long term equity investment

The Company's investments in subsidiaries, associates and joint ventures are impaired in accordance with the policy stated in Note II.20).

For the year ended 31 December 2017
(All amounts in RMB'000 unless otherwise stated)
(English translation for reference only)

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

13. Investment properties

Investment properties are measured initially at cost, including related transaction costs and borrowing costs. Subsequent expenditure is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

The Group adopts the fair value model for investment properties. Gains or losses arising from changes in the fair value of investment properties are recognised in the income statement for the period in which they arise. The fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset.

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified as investment property. Any gain arising on remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss, with any remaining gain recognised in other comprehensive income and property revaluation reserve. Any loss is recognised in profit or loss. When the use of a property changes from investment property to owner-occupied, the property is remeasured to fair value at the date of change and reclassified as property, plant and equipment. The difference between the fair value at the date of change and the previous carrying amount is recognised in profit or loss.

A property interest under an operating lease is classified and accounted for as investment property on a property-by-property basis when the definition of investment property is met and fair value model is adopted. Any such property interest under an operating lease classified as investment property is carried as if it were a finance lease and the lease rental payment is treated as a payment towards the principal and interest.

14. Fixed assets

(1) Recognition

Fixed assets are tangible assets that are held for the production of goods or provision of services, for rental to others, or for administrative purposes, and have useful lives over one accounting year.

The cost of a fixed asset comprises its purchase price, any directly attributable expenditure, and an initial estimate of the dismantlement, removal and restoration costs. See Note II.15.

When parts of an item of fixed assets have different useful lives or provide benefits to the Group in different patterns, different depreciation rates are used for each part.

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

14. Fixed assets (Continued)

(1) Recognition (Continued)

T e be e c cd g ec f e ac g a fa e ff eda e a e ec g ed e ca g a f e e f e ec g e feda e c e aa e a fed, a d e ca g a f e e aced a de ec g ed. T e c f e da - -da e c g ff eda e a e ec g ed f a d ed.

F eda e a e a ed e baa ce ee a c e acc a ed de eca a d a e e.

(2) Depreciation

F eda e a e de eca ed g e ag - e e d a ca e ec f ea e e e a ed e d a a e e e a ed e e f eda e ca feda e d f a e (ee N e II.28). F e f eda e a a e bee l ded f a e , e ea ed de eca c a ge ec e de e ed ba ed e ad ed ca g a l e e e a g e l e. T e e a ed e l e e d a a e a dde eca a e feac ca ff eda e a ea f :

Ca e	Re d a Pe d (ea)	De eca l a e a e (%)	De eca a e (%)
Pa a d b d g	20-30	10%	3-4.5%
Mac e a de e	10-12	10%	7.5-9%
Offce a d e e e	3-5	10%	18-30%
M l e ce	5	10%	18%
D c a f	50	10%	1.8%
Off e e g ee ge e	15-30	10%	3-6%

E a ed e l e e a ed e d a a e a dde eca e d a e e ed a dad ed a ea a eac ea -e d.

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

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

F c e a f ec g a d e d f ea gf f eda e de af a ce ea e efe N e II 27(3).

(5) Disposal

A f eda e de ec g ed d a e ec c be ef a e e ec ed f e d a. T ea f ceed f d a ae a fe e e da age f a f eda e e f ca g a a d ea ed a e a de e e ec g ed f f ed e e d.

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

15. Construction in progress

Construction in progress is measured at cost less impairment losses (see Note II.16), and is transferred to fixed assets when it is ready for its intended use.

All expenditure incurred before the construction in progress is ready for its intended use is recorded in the cost of construction in progress. Construction in progress is stated at historical cost less impairment losses (see Note II.20).

16. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that require a substantial period of time to get ready for their intended use or sale are capitalised as the cost of those assets.

Except for the above, borrowing costs are recognised as expenses in the period in which they are incurred.

During the capitalisation period, the amount of interest (including amortisation of discount or premium) for each accounting period is determined as follows:

> Where funds are borrowed specifically for the acquisition, construction or production of assets that require a substantial period of time to get ready for their intended use or sale, the amount of interest to be capitalised is the actual interest expense incurred during the period less any interest income earned on the unused borrowed funds before they are spent on the assets.
>
> Where funds are borrowed generally and used for the acquisition, construction or production of assets that require a substantial period of time to get ready for their intended use or sale, the amount of interest to be capitalised is determined by applying a capitalisation rate to the weighted average of the excess amounts of cumulative expenditures on the assets over the above borrowings. The capitalisation rate is the weighted average of the interest rates applicable to the borrowings.

The effective interest rate is the rate that exactly discounts the estimated future cash flows over the expected life of the borrowing or, where appropriate, a shorter period, to the initial recognised amount of the borrowing.

During the capitalisation period, exchange differences relating to principal and interest of borrowings denominated in foreign currencies are capitalised if they are an adjustment to interest costs. Exchange differences relating to principal and interest of borrowings denominated in foreign currencies other than those mentioned above are recognised as expenses in the period in which they are incurred.

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

16. Borrowing costs (Continued)

T e ca a a e d e e d f e da e f c e ce e f ca a a f b g c e da e f ce a f ca a a , e c d g a e d e c ca a a e ded. Ca a a f b g c c e ce e e e d e f e a e be g d ed, b g c a e be g d ed a d ac e fae , c c d c a a e ece a e a e e a e f e ded e a e a e g e , a d ce a e e a e bec e ead f e e ded e a e. Ca a a f b g c e ded e ea , c c d c ac e a e e ed ab a d e e a e e .

17. Intangible assets

I a gbe a e a e a ed e baa ce ee a c e acc aeda a (e e e a ed e fe f e) a d a e e (ee N e II.20). F a a gbe a e f e e fe, c e e d a a ead a e a ed e ag - e e d e a a ae e d a ca efec e a e c e a e' ec cbe ef a e e ec ed be ea ed e e a ed e fe, e e a gbe a e ca feda edf a e(ee N e II.28).

T e e ec ea a e d f c a gbe a e a ea f :

	Amortisation periods (years)
La d e g	20-50
Ma e ace e g	40-50
Tec gca - a d ade a	3-15
T be c ce g	20
C e ea	4-10
C e c ac	3-4
F a c e g	10-18

F a a gbe a e af e e fe, e e f e fea da a e d e f eda eac ea-e d, ad e adea a a e.

A a gbe a e e ega ded a g a def e e fea d a ed e e e f e eeabe e e d e c ea e e ec ed ge e a e ec cbe ef f e G . A ba a ce ee da e, a a e e bec d c ed.

E ed e a e a e ea c a dde e e ec a e ca fed e e d e e e ea c a ea de e d e e de e e a e. Re ea c g a a d a ed e ga de a e e ec fga g e ce fc ec ca edge a d de a d g. De e e e a ca f e ea c f d g e edge a a de g f e d c f e b a a ed a e a de ce d c ce e bef e e a fc e ca d c e.

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

17. Intangible assets (Continued)

The Group's expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Other development expenditure that does not meet these criteria is recognised as an expense when incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use on a straight-line basis over its useful life.

18. Goodwill

Goodwill arising on the acquisition of a subsidiary represents the excess of the aggregate of the consideration transferred and the amount of any non-controlling interest in the acquiree over the net identifiable assets acquired and liabilities assumed.

Goodwill is allocated to cash-generating units and is tested annually for impairment (see Note II.20). Details of how goodwill is allocated to cash-generating units are described in Note II.20. Goodwill is stated at cost less any accumulated impairment losses.

Chapter XIII

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

19. Long-term prepaid expenses

L g- e ade e ea ea ed a ag - e e d be efca e d.

T ea a e d f e ed a ea f :

Item	Amortisation period (years)
Re a	2-10
O e	3-5

20. Impairment of long-term assets

F eda e c c ge a gbea e f e ef e ad g- e e b da e, e e ada cae a e edf a e f e e a dca a ea e a be a ed a e baa ce ee da e. If e e f e a e e dcae a e ec e abe a f a a e e a ca ga a , a f a e ada a e a e ec g edf e a b c ea e' ca ga a e ceed ec e abe a . T e ec e abe a e ge e fa a e' fa a e e c e ad e e e a e f e e ca f e ec ed be de ed f ea e. P f a e a e de e ed a d ec g ed

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

21. Provisions and contingent liabilities

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

At the balance sheet date, provisions are reviewed and adjusted to reflect the current best estimate. Provisions are expected to be fully utilised within one year from the balance sheet date.

The Group's obligation in relation to termination benefits is recognised as a liability at the earlier of when the Group cannot withdraw the offer of those benefits and when the Group recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits.

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

Provisions for warranties are recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

Provisions for restructuring are recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly. Future operating losses are not provided for.

In its acquisition of subsidiaries, associates and joint ventures, the Group assumes contingent liabilities that are present obligations and can be measured reliably. After initial recognition, contingent liabilities assumed in a business combination that are recognised separately are measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the requirements for revenue recognition.

22. Share-based payments

(1) Classification

Share-based payments are transactions in which the Group receives services as consideration for equity instruments of the Group or liabilities that are based on the price of equity instruments of the Group.

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

For a share option granted to employees, as there is no active market, the Group uses the Black-Scholes-Merton option pricing model to determine the fair value of the options. The following factors and assumptions are taken into account when applying the option pricing model: (1) the exercise price of the option; (2) the life of the option; (3) the current price of the underlying shares; (4) the expected volatility of the share price; (5) the expected dividends on the shares; (6) the risk-free interest rate over the life of the option.

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

At each balance sheet date, the Group revises the number of equity instruments expected to vest based on the number of employees who are expected to meet the service condition and non-market performance condition for vesting in the current period. On the vesting date, the Group revises the estimate to equal the number of equity instruments that ultimately vested.

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

22. Share-based payments (Continued)

(4) Accounting treatment for share-based payment

(a) Equity-settled share-based payments

W e e eG e a e e a c de a f e ce ece ed f e ee e a e ea ed a efa a e f ee e g a ed e e ee a eg a da e. If e e e g a ed e ee e ed a e e fa a e f ee e g a ed g a da e, ec g ed a ee a c e e a c d g c ea e ca a e e e. If e e e g a ed e ee d e ec e f e ce f a e g e d, e ac ee e fa ecfed e f a ce c d eG a eac baa ce ee da e d g e e g e d, a e e be e a acc d g e a e f a f e be f e ee a eg a ed e a d ee e be f e e e ec ed e . Ba ed e be e a eG ec g e e e ce ece ed f e d e e e da ea ed c e e e, a c e d g c ea e ca a e e e, a a a e a efa a e f ee e a eg a da e.

(b) Cash-settled share-based payments

W e e eG ece e e ce f e ee b d g ab de e ca e a e f a a a e de e ed ba ed e ce f a e e e e e, e e ce ece ed f e ee ea ed a efa a e f e ab d ed. If e g de a ca - e ed a e-ba ed a e d e e ec e f e ce f a e g e d, e ac ee e fa ecfed e f a ce c d eG a eac baa ce ee da e d g e e g e d, ec g e e e ce ece ed f e d e e e da ea ed c e e e, a c e d g c ea e ab a a a e a efa a e f e ab ba ed e be e a e f e c e f e g.

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

23. Revenue recognition

Re e e g f fec cbe ef e e d a g ec e f eG ' d a ac e e e f e c ea e a e de ' , e a c ea e ea g c b f a e de . Re e e ec g ed f e babe a e ec cbe ef f eG , e e e ea dc ca be ea ed e ab a d ef g e ec ec d a e e .

(1) Sale of goods

Re e e f a e fg d ec g ed e a f e ge e a c d a ed ab e a d f g c d a e a fed:

(a) T e g fca . a d e a d f e fg d a e bee a fe ed e b e ;

(b) T eG e a e e c g a age a e e deg ee a a ca ed e effec ec e g d d.

Re e e f e a e fg d ea ed a e fa a e f ec de a ece ed ece ab e de e a e c ac ag ee e .

a. Containers and airport facilities sales revenue

T eG ec g e e e e afe ece e acce a ce ce fca e f d e .

b. Road transportation vehicles and heavy truck sales revenue

Sa e f R ad a a e ce a ed ded a e d e c d e a d a e e ea d e . A a e d e c d e , eG ec g e e e e afe d e c a d acce e e ce . A a e e ea d e , eG ec g e e e e afe e ce a e aded ecfed ecfc a g ed b ed e a c ac .

c. Real estate sales revenue

T eG ec g e e e e e e c a e a d e ag ee e e f ed. W e e e d a ce bef ec e , e e e e ec g ed e e c c e ed a d de e ed e b e . T e de a d a e ece ed bef e e e e ec g a e ega ded a a ce f d e .

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

23. Revenue recognition (Continued)

(2) Revenue from construction contracts

W e e e c e fac c ac ca be e a ed e ab c ac e e a d c ac e e e a ca ed e c c ac a e ec g ed a e ba a ce ee da e g e e ce age fc e e d.

T e age fc e fac ac de e ed ba ed c e fa ca f ec ac

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

23. Revenue recognition (Continued)

(3) Rendering of services (Continued)

W e e c e f e de g f e ce ca be e aed e ab f ec d ed a e ec ed be ec e abe e e a e ec g ed ee e a ec d ed a e ec ed be ec e abe, a da e ae a c aged f a e cec ; f ec d ed a e ec ed be ec e abe, ec d ed a e ec g ed f a d e ce e e ec g ed.

F f eg age ce e e a e ec g eda e de a e da e(e) ea a da e( ). A a d f eg age ce e e a e ec g ed e g d ea eda e ecfed ca . F g age c : e e a e ec g eda e da a de a e.

24. Employee benefits

E ee be ef e e a d fa a ce a d c e a a d b eG f e ce e de ed b e ee f e a fe e ea , c a c de -e age , e be ef a d e a fe e be ef .

(1) short-term wages

S -e age c de age aa e , b e a a ce a d b de , aff efa e, ed ca a ce, a ce, ae a ce, g d , ab d , e ee ed ca d a d e ad ab e ce a d e c. Ac a -e age a e ec g eda ab e e e d e ee ee e de e ce a da e c a ged f ca a ed c f ea eda e . Te - ea efa e ea eda fa a e.

(2) pension benefits

D g e e g e d, eG ' e be ef a e ba c e a ce a d e e a ce c a ea def ed c b a .

Ba c e a ce

TeG ' e ee a c a ed eba c ca e a ce ga ed a d e e ed b ca ab a d ca ed b ed . TeG ad eba c e a ce e e de g a ed a ce c a e f e ee acc d g eba a a d a e de e ed b e ca e g a . Afe e e e , ca ab a d ca ed b ed e be f a g e e be ef e e ede ee . Tea f e a ce a abe cad a ed acc d g e ab e e g a a e ec g eda ab e d g e e d e ee ee e de e ce a da e c a ged f ca a ed c f ea eda e .

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

24. Employee benefits (Continued)

(3) Enterprise annuities plan

The Group has established enterprise annuities plan for employees in accordance with the relevant regulations of the People's Republic of China. The Group and employees make contributions to the enterprise annuities plan based on a certain percentage of the total salary of employees. Besides the above contributions, the Group has no other material obligations for the enterprise annuities plan.

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

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

27. Operation and finance leases

A ea e ca fed a e e af a ce ea e a e a g ea e. A f a ce ea e a ea e a a fe b a a a e a d e a d c de a e f a ea ed a e e e ee e ec e f e e e ega e e a e e e a a fe ed. A e a g ea e a ea e e a af a ce ea e.

(1) Assets acquired under operating leases

Re a a e de e a g ea e a e ec g ed a c e e e a ag - eba e e ea e e .

(2) Assets leased out under operating leases

F ed a e ea ed de e a g ea e e ce f e e e e (ee N e II.13) a e de ec a ed acc da ce e G ' de ec a ce de c bed N e II.14(2). I a e e a e ded f acc da ce e acc g c de c bed N e II.20. O e ea ed a e de e a g ea e a ea ed g e ag - e e d. I c e de ed f e a g ea e ec g ed e ea e ea ed a e Ce a, ec a e a ca a ed a d b e e a ed f e e ea e e e a eba a e ea e. O e e, ec a e ged f

(3) Assets acquired under finance leases

W e e G ac e a a e de a f a ce ea e, e a e ea ed a a a e a e f fa a ea d e e e a e f e ea e a e ec g ed a abe. T ed ffe e ce be ee e a e f e ea ed a e a d e ea e a e ec g ed

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

27. Operation and finance leases (Continued)

(4) Assets leased out under finance leases

A ec e ce e f e ea e e , e G ec g e e agg ega e f e ea e ece de e ed a e ce f a ea e a d ec c a f a ce ea e ece abe. T e d ffe e ce be ee e agg ega e f e ea e ece , e a d ec c , a d e agg ega e f e e a e ec g ed a ea ed f a ce c e.

U ea ed f a ce c e a ca ed eac acc g e d g e ea e e g e effec e e e d. A e baa ce ee da e f a ce ea e ece abe , e f ea ed f a ce c e a e e e ed a g- e ece abe -c e a e d e e ea e ec e e baa ce ee. P ea e efe N e II.9 f acc g c e de ec g a d a e ff a ce ea e ece abe.

28. Held for sale and discontinued operations

A -c e a e ad a g ca fed a ed f ae e a f ef g c d a e a fed:

a. T e -c e a e ed a g a abe f ed a e ae e e c d bec e a a e a add a f ae f c -c e a e d a g ;

b. T e G a e e ed a ega e f ceabe ae a ee e e a a d ba ed ee a a a, a d e ae a ac e ec ed bec e ed e ea.

N -c e a e (ece f f a caa e , e e ea ed a fa a ea d defe ed a e) a ee e ec g c e af ed f ae a e ec g ed a ea e a e e f efa a ee c e a d ec ca ga . A ece f e g a ca ga e efa a ee c e ec g ed a a e a e e.

S c -c e a e a da e a d ab e c ded d a g ca fed a ed f ae a e ca fed a c e a e a dc e ab e e ec e , a da e e a ae e e ed eba a ce ee.

A dc ed e a ac e f e G a e e a bee d ed f ca fed a ed f ae, a d e a ae de fabe a d a fe e f ef g c d :

(a) I e e e a e a ae a e fb e ge g a ca a ea f e a ;

(b) I a fa gec - d a ed a d e fa e a ae a e fb e ge g a ca a ea f e a ;

(c) I a b da a e ede c e a e e a e.

T e e f f d c ed e a e c e a e e c de e a g f a d d a ga e fd c ed e a .

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

29. Hedge accounting

Hedge acc g a e d c ec g e e ff e g effec ffa a e a d ca f f e edg g e a d e edged e d e f e a e acc g e d( ).

Hedged e a e e a e e G f c a ge fa a e e ca f a d a a e de g a ed a be g edged. T e G ' edged e c de a f eca a ac a e ed a f eda ff eg d e c a de e G f eg d e c .

A edg g e a de g a ed de a e ec a ge fa a e ca f a e e ec ed ff e c a ge e fa a e ca f f e edged e . F a edge ff eg d e c . a -de a e f a ca a e -de a e f a ca ab a a be ed a edg g e .

T e edge a e ed b e G f effec e e a g g ba a d dged e e a bee g effec e g e acc g e d f c e edg g ea a de g a ed. A edge ega ded a g effec e f b f e f gc d a e a fed:

- a e ce a d b e e e d, e edge e ec ed be g effec e ac e g ff e g c a ge fa a e ca f a b abe e edged, d g e e d f c e edge de g a ed;
- e ac a e f ff e g a e a a ge f 80% 125%.

Cash flow hedges

A ca f edge a edge f e e e a ab ca f . T e f ega e edg g e a de e ed be a effec e edge ec g ed d ec a e de ' e a a e a aec e . T a effec e ad ed e e f ef g ab e a :

- ec a e ega e edg g e f ce f e edge;
- T ec a e ec a ge e e a e f e e ec ed e ca f e edged e f ce f e edge.

T e f ega e edg g e a de e ed be a effec e edge ec g ed f .

If a edge f a f eca a ac b e e e ec g f a -f a ca a e -f a ca ab , ea ca ed ga e e ed f a e de ' e a d ec g ed f e a e e d d g c ef a ca a e f a ca ab affec f . H e e, f e G e ec a a a f a e ec g ed d ec a e de ' e be ec e ed e acc g e d, eca fe f ea a e ec ed be ec e ed.

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

29. Hedge accounting (Continued)

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised in other comprehensive income are reclassified into profit or loss in the same period or periods during which the hedged forecast cash flows affect profit or loss. However, if the Group

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

31. Related parties (Continued)

(d) e a age c e g fca ece e G ;

(e) e e e d da fa a ac c e b ee e e d da ad eG ;

(f) e e f eG , d g b da e f e e;

(g) a cae f eG , d g b da e fa cae;

( ) c a d da e a dc efa e be f c d da;

() e a age e e f eG adc efa e be f c d da;

() e a age e e f eC a ' a e adc efa e be f c d da;

( ) c efa e be f e a age e e f eC a ' a e ;ad

() e e e e a a ec ed c ed b c a d da e e a age e e f eG ,adc efa e be f c d da.

Be de e eaed a e aedab e dee ed acc da ce e e e fCAS, ef g e e e ad d da a ec de eda (b e ced) eaed a e ba ed ed c e e e fAd a e P ced e e lf a D c e fL edC a e ed b e CSRC:

( ) e e e e a ac c ce a d5% e f eC a ' a e;

( ) d da adc efa e be f c d da d ec d ec d5% e f e C a ' a e, e e f edc a e ad e c efa e be ;

( ) e e e a a f a f eaf eadc d (a),(c) a d( ) d g e a 12 a f e e e 12 a a ee a agee e ;

( ) d da a f a f eaf eadc d (),() a d( ) d g e a 12 a f e e e 12 a a ee a agee e ;ad

( ) e e e e a eC a ad b da e c ed b eC a c a ed d ec d ec b a d da def ed (),(),( ) ( ), c c a d da a e e fad ec e ec e.

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

32. Segment reporting

Re abe eg e a e de fed ba ed e a g eg e c a e de e ed ba ed e c e f eG ' e a ga a , a age e e e ad e a e g e . A e a g eg e ac e f eG a ee ef gc d :

- I e gage b e ac e f c a ea e e ead d e e e ;
- I f a ca e f a ce a e eg a e ed b eG ' a age e a e dec ab e e ce be a ca ed e eg e a da e e f a ce;
- T eG abe ba f a ca f a ega d g f a ca , f a ca e f a ce a d ca f , e c.

T e e a g eg e a be agg ega ed a ge e a g eg e f e eg e a e a ec cc a ac e c , a da e a e ec f ef ga ec :

- e a e fea c d c a d e ce;
- e a e f d c e ce ;
- e e ca fc e f e d c a d e ce ;
- e e d ed d b e e d c de e e ce ;
- e ega a d eg a ac a fac g f d c a d e de g f e ce .

I e- eg e e e e a e ea ed e ba fac a a ac ce f c a ac f eg e e g a d eg e acc g ce a ec e ef ec da ed f a ca a e e .

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

33. Significant changes in accounting policies

I 2017, e M f F a ce eea ed e 'Acc g Sa da df B e E e e N. 42-N -c e A e D a G Hedf Saea dDc edO ea ' ed 'Acc g Sa da df B e E e e N. 16-G e e Ga 'a d e 'C c a A ed e F a f F a ca Sae e f Ge e a l d ' 'a d e ea (Ca K a [2017] 30). T e 2017 f a ca ae e a e ea ed acc da ce eab e a da d a dc c a, a d ac a ea f :

The nature and the reasons of the changes in accounting policies	The line items affected	The amounts affected
T eg ca fed e e d f e a e-added a ba ed 2017 e c e. T e 2016 c a a ef a ca ae e a e bee e a ed.	N a cabe	N a cabe
T eG a d eC a c ded g e e ga ea ed e e ea d ea ed eda ac e 2017 e c e ed e ea edc ; T eg c de g e e ga ea ed a e defe ed c e D g e e ce fe ea a be ca c a ed age acc d g a ea abea d e a c e d e c e. T e 2016 c a a ef a ca ae e a e bee e a ed.	N a cabe	N a cabe

		2016
T eG ec ded ega e d a ff eda e ad agbea e , cc ed 2017, ga d a fa e . T e c a a e a a 31 Dece be 2016 e e a ed acc d g .	Ga d a fa e N - ea g c e N - ea ge e e	402,346 (451,565) 49,219
T e C a ec ded ega e d a ff eda e ad agbea e , cc ed 2017, ga d a fa e . T e c a a e a a 31 Dece be 2016 e e a ed acc d g .	Ga d a fa e N - ea g c e N - ea ge e e	116 (116)

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

34. Critical accounting estimates and judgements

T e ea a ff a ca ae e e a age e a ee ae ada a affec e a ca facc g ce ad e e eda fa e, ab e, c ea de e e. Ac a e a dffe f eee ae. E ae ad de ga a e ed a g gba . Re acc g e ae a e ec g ed e e d c ee ae ed a d a e e d affec ed.

N e IV.19, IX a d XIV c a f a ab e a a d e fac ea g a e fg d , a e-ba ed a e a d fa a e ff a ca e . O e e ce fe a ce a a ea f :

(1) Impairment of receivables

A de c bed N e II.10, ecq abe a a e ea ed a d c a e e ed a eac baa ce ee da e de e e e e e bec e e de ce f a e . If a c e de ce e , a e ec g ed. Obec e e de ce f a e c de be abe da a c e ea e f e G ab e c a a g fca dec e ee a ed e ca f fa d d a deb , e f fdeb , a d g fca c age e f a ca c d a a ea ad e effec e deb . If e e a bee ac a ge e fac ed de e e f a e c d ca e a a e f e ecq abe a ec e ed, e a e ec g ed e ea ca be e e ed.

(2) Impairment of long-term assets

A de c bed N e II.20, g- e a e (c d gg d , f eda e a d e e de c c) a e e e ed a eac baa ce ee da e de e e e e ec e abe a f ea e e a ca , ga . If a d ca a e ca , ga f ea e a be ec e ed, e a e dee ed a e bee a ed a da a e ec g ed.

T e ec e abe a f a a e (a e g) e g ea e f fa a e e c e a d e e e a e fe ec ed e ca f . S ce a a e ce 6.5(f)0.5( )0.5( )0.5(e)0. 5(a)0.5( )0. ( )0.5(e)0.5( )0.5((e)0.5(
e

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

34. Critical accounting estimates and judgements (Continued)

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

If e a age e ed ed c aebef ea a ed e ca f d c a d e ed d c aebef ea g e a ed c aec e ed, eG e ed a e f a e f g-e a e.

If eac a g ag d c aebef ea g e e a e a age e 'e a e, e G ca e e e ec g ed f a e f g-e a e.

(3) Provision for diminution in value of inventories

A de c bed N e II.11, e e ea abe a e f e de a age e 'eg a e e, ad a a e f d a e f e ec g edf eece f e e'ca g a e e, e ea abe a e. We a ge ae f e ea abe a e, eG a e c de a e e f e e ed ad ad e f a a aabe f e de g a , c d g e e' a e ce ad eG ' ca e a gc . Tea c a e g ce, ec fc e ad ec ece a a e e aead ee a a e a a ba ed ec a ge a e c d a d d c aeab , a fac g ec g a d eac a e f e e e e g ec a ge f d a e f e e. Te e f a e be affec ed e e d e e f d a e f e ad ed.

(4)

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

34. Critical accounting estimates and judgements (Continued)

(6) Construction contract

As described in Note II.23, the Group recognises contract revenue and related costs by reference to the stage of completion of the contract activity at the end of the reporting period. Stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Changes in the estimated costs of construction contracts could affect the profit recognised in the current period and the estimated profit or loss to be recognised in future periods. Provision for foreseeable losses is made when the Group considers that the total contract costs will exceed the total contract revenue. The Group's management is required to estimate the future costs of construction contracts, which is based on the experience of management and the terms of the relevant contracts.

(7) Income taxes

The Group is subject to income taxes in the PRC. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. 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.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Deferred tax assets are recognised for deductible temporary differences arising from provisions for impairment of trade receivables, inventories and contract assets, as management considers that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

(8) Estimation of fair value of investment properties

The Group's investment properties were revalued based on valuations performed by an independent professional valuer. The valuer adopted the income capitalisation approach and direct comparison approach in arriving at the fair value as at 31 December 2017. Further details of the valuation of investment properties are disclosed in Note XIV, 6, including a sensitivity analysis of the fair value to changes in the assumptions.

III. TAXATION

1. Main taxes categories and rates

Types of tax	Tax basis	Tax rate
Value added tax (VAT)(a)	The Group's VAT calculated based on the taxable income after offsetting the deductible VAT for the year, VAT payable	

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III. TAXATION (CONTINUED)

2. Preferential tax treatments

The Group's subsidiaries enjoyed preferential income tax rates as follows:

	Name of subsidiaries	Local statutory tax rate	Preferential rate	Reasons
1	Nanjing CIMC Special Transportation Equipment Manufacturing Co., Ltd.	25%	15%	Certified as encouraged industry in 2015 and enjoyed preferential tax rate
2	Xi'an CIMC Special Transportation Equipment Co., Ltd.	25%	15%	Certified as encouraged industry in 2016 and enjoyed preferential tax rate
3	Yangzhou Runtian Logistic Equipment Co., Ltd	25%	15%	Certified as encouraged industry in 2017 and enjoyed preferential tax rate
4	Zhongshan Tech Trailer (25%)	15%		Certified as encouraged industry in 2017 and enjoyed preferential tax rate

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III. TAXATION (CONTINUED)

2. Preferential tax treatments (Continued)

	Name of enterprises	Local statutory tax rate	Preferential rate	Reasons
12	Enric (Langfang) Energy Equipment Co., Ltd.	25%	15%	Re-designated as High-tech enterprise in 2015 and entitled to preferential tax rate
13	Jiangsu Hengshen Automobile Manufacturing Co., Ltd	25%	15%	Re-designated as High-tech enterprise in 2015 and entitled to preferential tax rate
14	Jiangsu Hengshen Automobile Manufacturing Co., Ltd	25%	15%	Re-designated as High-tech enterprise in 2015 and entitled to preferential tax rate
15	Langfang CIMC Hangye Gas Liquefaction Plant Co., Ltd.	25%	15%	Re-designated as High-tech enterprise in 2015 and entitled to preferential tax rate
16	Nantong CIMC Energy Equipment Co, Ltd	25%	15%	Re-designated as High-tech enterprise in 2017 and entitled to preferential tax rate
17	Enric (Nantong) CIMC Food Equipment Co., Ltd.	25%	15%	Re-designated as High-tech enterprise in 2016 and entitled to preferential tax rate
18	Shenzhen CIMC Tianda Airport Support Co., Ltd.	25%	15%	Re-designated as High-tech enterprise in 2017 and entitled to preferential tax rate
19	Xi'an Aerial Equipment Co. Ltd.	25%	15%	Re-designated as High-tech enterprise in 2015 and entitled to preferential tax rate
20	Shenzhen CIMC Tianda Logistics Service Engineering Co., Ltd	25%	15%	Re-designated as High-tech enterprise in 2016 and entitled to preferential tax rate
21	Shenzhen CIMC Intelligent Technology Co., Ltd.	25%	15%	Re-designated as High-tech enterprise in 2017 and entitled to preferential tax rate
22	Hubei CIMC Baolaide Logistics Equipment Co., Ltd.	25%	15%	Re-designated as High-tech enterprise in 2017 and entitled to preferential tax rate

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Please refer to Note VI.1 and IV.13 for details of pledged bank deposits and restricted cash.

1. Cash at bank and on hand

	31 December 2017	31 December 2016
Cash on hand	4,406	157,493
Bank deposits	4,863,666	5,711,162
Other cash balances	728,242	457,343
Total	5,596,314	6,325,998
Including: cash abroad	3,149,051	1,938,284

As at 31 December 2017, restricted cash and deposits of the Group amounted to 1,353,836,000 (31 December 2016: 987,257,000), please refer to Note IV.24 for details.

As at 31 December 2017, restricted cash and deposits of the Group included deposits of 484,672,000 (31 December 2016: 504,795,000) placed with Peoples Bank of China by Face Cosmetics, a subsidiary of the Group. Face Cosmetics is required to deposit a certain amount of cash reserves with Peoples Bank of China.

2. Financial assets at fair value through profit or loss

(1) Classification

	Note	31 December 2017	31 December 2016
Current Portion			
1. Investments in equity instruments at fair value through profit or loss			
Listed equities	(3)	183,303	138,072
2. Derivative financial assets			
Forward foreign exchange contracts	(4)	8,078	1,782
Foreign exchange options	(5)	2,135	
Investment income	(6)	4	
3. Hedging instruments		1,360	1,306
Total		194,880	

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

(2) A a 31 Dece be 2017 a d 31 Dece be 2016, e e a e a e c f e e f a ca a e a fa a e g f .

(3) T e e f ad g a e ed e ed e S c E c a ge f H g K g L ed a d S ga e E c a ge L ed, e fa a e f ed e de e ed a ec g ce f e S c E c a ge f H g K g L ed, S a g a S c E c a ge a d S ga e E c a ge L ed e a ad g da f e ea.

(4) Forward foreign exchange contracts

A a 31 Dece be 2017, e G ad ce a e ed f a d c ac a de a ed US d a , Ja a e e e , G ea B a d a d E , . T e a a e f e e c ac a ed US d a (USD) 26,000,000, Ja a e e Ye (JPY) 696,890,000, G ea B a P d (GBP) 5,600,000 a d E , (EUR) 7,100,000, e ec e . P a e e f a d c ac , e G a e ed / e f eg c e ce , c a USD, Ja a e e , G ea B a d E , a d f eg c ac ed a e d a e d a e d a e f RMB a d RMB

(4)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Notes receivable

(1) Classification of Notes receivable

	31 December 2017	31 Dece be 2016
Ba acce a ce e	1,241,308	1,374,487
T ade acce a ce e	135,556	161,704
Le : P l f bad deb ()	–	
T a	1,376,864	1,536,191

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

N a d e f a e de d 5% (c d g 5%) e f e g g f e C a c ded e ab e ba a ce f b ecab e.

A f e ab e b ecab e a e d e e ea .

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

	31 December 2017
Ba acce a ce e	72,475

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable

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

Ca eg	31 December 2017	31 Dece be 2016
C a e	6,761,566	2,540,433
R ad a a e ce	2,265,036	2,396,644
E e g ce ca a d df de e	3,346,180	3,220,025
Off ee g ee g	699,837	244,655
A fac e	1,334,724	1,255,195
L g c e ce	1,287,373	1,159,172
Hea c	772,761	769,250
O e	686,426	569,937
S b- a	17,153,903	12,155,311
Le : f d b deb	(757,177)	(629,236)
T a	16,396,726	11,526,075

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

	31 December 2017	31 Dece be 2016
W 1 ea (c e)	15,136,840	10,329,997
1 2 ea (c e)	1,045,390	989,469
2 3 ea (c e)	796,015	548,922
Q e 3 ea	175,658	286,923
S b- a	17,153,903	12,155,311
Le : f d b deb	(757,177)	(629,236)
T a	16,396,726	11,526,075

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (Continued)

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

		31 December 2017				31 December 2016			
		Book balance		Provision for doubtful debts		Book balance		Provision for doubtful debts	
		Amount	% of total balance	Amount	Ratio (%)	Amount	% of balance	Amount	Ratio (%)
Accounts receivable individually significant for individual assessment	(4)	6,949,240	40.51%	348,984	5.02%	2,987,769	24.58%	142,565	4.77%
Accounts receivable individually insignificant for individual assessment	(5)	2,688,879	15.68%	121,257	4.51%	599,213	4.93%	63,181	10.54%
Provision for doubtful debts collectively assessed*									
Group 1 - Cash		2,857,910	16.66%	21,281	0.74%	1,733,265	14.26%	14,762	0.85%
Group 2 - Risk portfolio		1,010,433	5.89%	85,529	8.46%	1,315,102	10.82%	100,810	7.67%
Group 3 - Aging portfolio		1,461,753	8.52%	57,610	3.94%	2,911,678	23.95%	201,187	6.91%
Group 4 - Related party portfolio		628,918	3.67%	49,255	7.83%	944,708	7.77%	54,025	5.72%
Group 5 - Agency collection		1,001,137	5.84%	36,742	3.67%	1,002,835	8.25%	34,573	3.45%
Group 6 - Export tax rebate		375,382	2.19%	24,352	6.49%	303,664	2.50%	6,020	1.98%
Group 7 - Offset against payables		180,251	1.04%	12,167	6.75%	357,077	2.94%	12,113	3.39%
Group total	(6)	7,515,784	43.81%	286,936	3.82%	8,568,329	70.49%	423,490	4.94%
Total		17,153,903	100.00%	757,177	4.41%	12,155,311	100.00%	629,236	5.18%

Note*: The category of accounts receivable and provision made by aging.

As at 31 December 2017, the Group did not have any accounts receivable that were derecognised but continued to be involved.

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (Continued)

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

Category	Book balance	Provision for doubtful debt	Ratio (%)	Reason
Cash	2,996,383	87,420	2.92%	Payment delayed
Radiation	931,393	51,023	5.48%	Payment delayed according to agreement
Engineering and construction	1,005,159	139,150	13.84%	Payment delayed according to agreement
Offshore engineering	398,363	60	0.01%	
Airport facility	691,753	31,278	4.52%	
Logistics	145,769	871	0.60%	
Heating	397,379	38,603	9.71%	
Other	383,041	579	0.15%	
Total	6,949,240	348,984	5.02%	

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

Category	Book balance	Provision for doubtful debt	Ratio (%)	Reason
Cash	907,273	6,913	0.76%	Payment delayed
Radiation	323,210	42,038	13.01%	Payment delayed according to agreement
Engineering and construction	879,268	65,354	7.43%	Payment delayed according to agreement
Offshore engineering	301,464	2,207	0.73%	
Logistics	140,467	4,081	2.91%	
Airport facility	14,053	304	2.16%	
Other	123,144	360	0.29%	
Total	2,688,879	121,257	4.51%	

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (Continued)

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

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

The aging is calculated based on the date when accounts receivable are recognized.

(7) Reversal or recovery of provision for the year

The amount of provision for doubtful debts reversed during the year was 229,452,000 (2016: 204,596,000). The amount of provision for doubtful debts collected during the year was 89,260,000 after deducting the amounts written off (2016: 29,642,000).

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

The accounts receivable actually written off during the year was 465,000 (2016: 10,774,000).

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

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

As of December 31 2016, the total of the five largest accounts receivable of the Group was 1,132,622,000, accounting for 9.32% of the total accounts receivable.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (Continued)

(10) Accounts receivable from related parties:

A a 31 Dece be 2017, e G ' acc ece ab e d e f ea ed a e a ed 541,748,000 (31 Dece be 2016: 254,396,000), acc g f 3.16% f e a acc ece ab e (31 Dece be 2016: 2.09%).

C a a e	Rea e G	31 December 2017 Amount	% of total balance	Provision for doubtful debts	31 Dece be 2016 A	% f a ba a ce	P f d b f deb
F e C a e l e e (SPV) L ed (FCI)	Sb da f g fca a e de	130,145	0.76%	–			
F e C a e Se ce C a L ed (FCS)	Sb da f g fca a e de	99,973	0.58%	–			
Sa Hea D A - be C ., L d. (SHDA)	M a e de f b da e	72,974	0.43%	–	27,987	0.23%	
N g aC a g g Na a Ga De e e C ., L d. (N g aC a g g)	A cae	60,750	0.35%	–	78,389	0.64%	
SUMITOMO CORPORATION (SUMITOMO)	M a e de f b da e	49,292	0.29%	–	56,538	0.46%	
F e C a e C a S.A. (FCC)	Sb da f g fca a e de	40,100	0.23%	–	1,543	0.01%	
D gFa l e a a C a e (La Ga g) C ., L d (D gFa l e a a)	Sb da f g fca a e de	24,129	0.14%	–	27,650	0.23%	
Z e a g X g Ba b l d C ., L d (Z e a g X g)	A cae	21,874	0.13%	–			
D gFa l e a a C a e (G a g Z) C ., L d (D gFa l e a a (G a g Z))	Sb da f g fca a e de	12,417	0.07%	–			
Ga f l e e S.A. (Ga f)	M a e de f b da e	9,819	0.06%	–	8,183	0.07%	
NYK Z e a g c (Ta) C . L d. (NKY Z e a)	J e e	2,914	0.02%	–	5,795	0.05%	
Sc a Z g e E e g C ., L d (Z g e)	A cae	–	–	–	27,400	0.23%	
F e Ma e L ed (FML)	Sb da f g fca a e de	–	–	–	7,311	0.06%	
O e ea ed a e		17,361	0.10%	–	13,600	0.11%	
T a		541,748	3.16%	–	254,396	2.09%	3.16%

For the year ended 31 December 2017
(Amounts in RMB'000 unless otherwise stated)
(Figures in Notes refer to Group)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (Continued)

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

As at 31 December 2017, accounts receivable derecognised due to transfer of financial assets amounted to 204,979,000 (31 December 2016: Nil).

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

There were no securitised accounts receivable as at 31 December 2017 and 31 December 2016.

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

5. Other receivables

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

		31 December 2017	31 December 2016
Receivables arising from the disposal of equity interests		395,750	873,585
Receivables from transfer of properties		4,312,910	4,020,057
Advanced payments for transfer of land use rights	()	178,634	1,658,985
Loans	()	363,518	1,011,616
Amounts due from joint ventures and associates	()	1,200,379	999,926
Security deposits		974,064	663,995
Receivables from disposal of assets	()	74,212	572,258
Tax prepayments		210,685	167,099
Others		946,127	960,805
Sub-total		8,656,279	10,928,326
Less: provision for bad debts		(396,543)	(1,580,439)
Total		8,259,736	9,347,887

For the year ended 31 December 2017
(All amounts are expressed in RMB'000 unless otherwise stated)
(English translation for reference only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Other receivables (Continued)

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

(i) Additional information about the balance of Evergrande Health, including but not limited to the agreement (Agreement) 27 August 2015 SOEG PTE LTD (SOEG), Jiangsu Pacific Shipbuilding Group Co., Ltd. (Jiangsu Pacific) and Evergrande Group Co., Ltd (Evergrande) (collectively, Vendors), and the Vendors agreed to sell 100% equity interest in Pacific Offshore & Engineering Co., Ltd (SOE). After completion, SOE and Evergrande entered into a cash pooling agreement (Pooling Agreement) collectively referred to the cash provided by SOE for daily operations.

As at 1 June 2016, Evergrande breached certain provisions of the Agreement and failed to provide loans in accordance with the terms of the Agreement. EIHL delivered a notice to Vendors for the breach of the Agreement. Evergrande failed to repay Nanjing Pacific. As at December 31, 2016, Evergrande provided bad debt provision of RMB178,634,000 for the amount due from Evergrande and reversed bad debt provision of RMB1,184,281,000 for the amount received from SOE.

As for Evergrande, based on the cash flow provided by SOE, Evergrande repaid RMB190,521,000. Therefore, Evergrande accrued the reversal of RMB105,549,000 and recognised in the profit or loss for the year ended December 31, 2017.

SOE and its subsidiaries (Nanjing Pacific Bay Real Estate Development Co., Ltd. (Management) and the Company entered into a supplemental agreement (Repayment Plan), pursuant to which Evergrande (and its associates) repaid the amount of RMB799,800,000. Subsequently, the Repayment Plan was affirmed by SOE's board of directors on August 22, 2017 and the affirmation was approved by the Company on August 4, 2017. SOE became a wholly-owned subsidiary of Evergrande Health on August 4, 2017 (Note V. 1).

(ii) The balance included Cash at bank of RMB136,742,000, which was subsequently received RMB71,876,000 on January 2, 2018; and the balance was due from staff.

(iii) As at the reporting date, the Group assessed the expected credit loss rate of the above-mentioned receivables from Evergrande and SOE based on.

For the year ended 31 December 2017
(All amounts are expressed in RMB'000 unless otherwise stated)
(Figures in Foreign Currencies Other)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Other receivables (Continued)

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

(iv) In December 2016, the Company entered into a Large-Scale Real Estate Cooperation Framework Agreement with Baoding Donghuan Saga Saga Real Estate Co., Ltd., a wholly-owned subsidiary of Greentown, to jointly develop a land parcel located at 6888 Huanhe Road, Baoding Donghuan Saga (Land area of 290.55 acres). On 20 December 2016, a cooperation framework agreement was entered into for the acquisition of 51% equity interest in Baoding Donghuan Saga (hereinafter referred to as the "Agreement") among Greentown Real Estate Co., Ltd., Baoding Donghuan Saga (hereinafter referred to as "Baoding Donghuan Saga Land Real Estate Co.") and Baoding Donghuan Saga Land Real Estate Co. and the total consideration agreed was 572,258,000. Pursuant to the Agreement, the Company shall provide shareholder's loans to Baoding Donghuan Saga Land Real Estate Co. for the purpose of land acquisition and development. As at 31 December 2017, the Company has provided RMB28,612,000 and the balance was recognised.

On June 1, 2017, Taizhou Binhai New Area Development Real Estate Co., Ltd., a wholly-owned subsidiary of Greentown, CIMC Beijing, signed the Taizhou CIMC Land Real Estate Project Cooperation Framework Agreement. CIMC Beijing agreed to jointly develop the Real Estate Project (hereinafter referred to as the "Project") with Taizhou Binhai New Area Development Real Estate Co., Ltd. through the establishment of a project company. The total consideration agreed was 1,140,000,000. As at 31 December 2017, the Company has provided RMB45,600,000 and the balance was recognised.

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

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Other receivables (Continued)

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

	31 December 2017	31 Dece be, 2016
W 1 ea, (I c ! L e)	4,265,567	9,667,565
1 2 ea, (I c ! L e)	4,018,531	999,143
2 3 ea, (I c ! L e)	245,522	95,819
Q e, 3 ea,	126,659	165,799
S b- a	8,656,279	10,928,326
Le : , L f, d ! b ! deb	(396,543)	(1,580,439)
T a	8,259,736	9,347,887

T e ag g ca c a ed f, e da e a e, , ece, ab e a, e, ec g ed.

A a 31 Dece be, 2017 a d 31 Dece be, 2016, e G, ! a e, a e, a , ece, ab e L e, d ed ! a, e .

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

	Ne	31 December 2017				31 Dece be, 2016			
		Book balance		Provision for doubtful debt		B . ba a ce		P, L f, d ! b ! deb	
		Amount	% of total balance	Amount	Ratio (%)	A !	% f a ba a ce	A !	Ra (%)
O e, ece, ab e a ! a a, e d, d a g f ca	(4)	6,939,712	80.17%	323,538	4.66%	9,379,c 1 260.7875 270.9166 c 0 0		39. 45 270.916883T 7.17ece 270.911,5	

For the year ended 31 December 2017
(All amounts are expressed in RMB'000 unless otherwise stated)
(Figures in the previous year are restated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Other receivables (Continued)

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

	Book balance	Provision for doubtful debt	Ratio (%)	Reason
Receivables arising from the acquisition of equity	379,267		0.00%	
Receivables from associates and joint ventures	4,305,070		0.00%	
Advances and receivables from factoring companies	178,634	178,634	100.00%	Note 1
Rental deposits and petty cash	1,200,379		0.00%	
Loans	300,807	88,672	29.48%	
Receivables from disposal of equity	74,212		0.00%	
Tax refund receivable	113,568		0.00%	
Others	387,775	56,232	14.50%	
Total	6,939,712	323,538		

Note 1: The provision for bad debt was determined based on the expected loss rate of the balance.

(5) Reversal or recovery of provision for the year

The provision for bad debt reversed was 147,281,000. The provision for bad debt written off was 28,699,000 and was included in the current year.

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

Other receivables that were written off in the current year were 1,295,238,000 (2016: 8,866,000).

For the year ended 31 December 2017
(All amounts in RMB'000 unless otherwise stated)
(Figures in Chinese)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Other receivables (Continued)

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

	Note	Nature	Book balance	Aging	% of total balance	Provision for doubtful debt
Tai Lai Offshore Engineering Limited (Tai Lai)	(i)	Receivable for capital contribution	3,575,000	1-2 years	41.30%	
Zhenjiang CIMC Eastern Realty Co., Ltd. (Eastern Realty)	(ii)	Receivable for Acquisition	331,250	1-2 years	3.83%	
Changjiang Securities Co., Ltd.		Bidding deposits	204,330	1 year	2.36%	
Shenzhen Fengcai Technology Co., Ltd.		Equity transfer receivable	126,743	1 year	1.46%	
China Hi-Tech Management Co., Ltd.		Bidding deposits	119,970	1 year	1.39%	
Total			4,357,293		50.34%	

As at 31 December 2016, the amount of the Group's top five receivables amounted to 7,130,634,000, accounting for 65.25% of the total balance.

(i) As at 23 December 2016, Qianhai Yingwang and Tai Jing Investment entered into capital contribution agreement and added Tai Lai as a shareholder on 28 December 2016. As at 31 December 2017, the Company has received 3.575 billion from Tai Lai. According to the agreement, after the capital contribution, Tai Jing Investment will distribute annualized fixed rate of return at 4.9853% for 2017 to 2019 commencing from 2018. After the end of the third year, Tai Lai has the right to withdraw the investment of RMB487,632,000 and the unpaid dividend payable.

(ii) As at 14 October 2016, 80% equity interest of Eastern Realty was transferred by Yingwang Group, a wholly-owned subsidiary of Yingwang Group, to Nanjing Gaochuang Gaoke Real Estate Development Co., Ltd. (referred to as Gaoke) by Yingwang Group and added Gaoke as a shareholder. The equity transfer of Eastern Realty was completed and Gaoke became a shareholder. As at December 31, 2017, the amount of RMB331,250,000 had been received.

For the year ended 31 December 2017
(All amounts are expressed in RMB'000 unless otherwise stated)
(Unless otherwise specified)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Other receivables (Continued)

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

As at 31 December 2017 and 31 December 2016, all the shareholders holding more than 5% (including 5%) of the Company's voting rights had no outstanding balance with the Group.

(9) As at 31 December 2017, other receivables from related parties are analysed as follows:

		31 December 2017				31 December 2016		
Company	Related party relationship	Amount	Nature	% of total balance	Provision for doubtful debts	Amount	Nature	% of total balance	Provision for doubtful debts
Beijing Real Estate Company	Associate	331,250	Funding	3.83%	–	824,391	Funding	7.54%	
Sea Cameca Subdistrict Real Estate Holding Co., Ltd	Shareholder of the associate	70,650	Transfer of equity	0.82%	–	70,650	Transfer of equity	0.65%	
Sagacity Real Estate Development Co., Ltd. (Sagacity)	Associate	34,204	Funding	0.40%	–	34,204	Funding	0.31%	
Nanxiang Urban Property Co., Ltd. (Nanxiang)	Associate	13,813	Funding	0.16%	–	10,629	Funding	0.10%	
Other related parties		19,328		0.22%	–	6,270		0.06%	
Total		469,245		5.43%	–	946,144		8.66%	

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Advances to suppliers

(1) Advances to suppliers analysed by categories are as follows:

	31 December 2017	31 Dece be 2016
Ra a e a (c d g e f de c c)	2,382,879	2,313,829
C f de c c	311	553
O e	46,948	78,567
S b- a	2,430,138	2,392,949
Le : f d b deb	(282,417)	(226,967)
T a	2,147,721	2,165,982

(2) Aging analysis of advances to suppliers is as follows:

For the year ended 31 December 2017
(Amounts in RMB'000 unless otherwise stated)
(Figures in Reference CO)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Advances to suppliers (Continued)

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

As at 31 December 2017 and 31 December 2016, there was no balance due from shareholders who held 5% (including 5%) or more of the voting shares of the Company.

(5) Advances to suppliers to related parties are analysed as follows:

		31 December 2017			31 December 2016		
Name	Relationship	Amount	% of total balance	Provision for doubtful debts	Amount	% of total balance	Provision for doubtful debts
Jiangsu Baogao Paper Co., Ltd. (Jiangsu Baogao)	Associate	8,000	0.33%	–			
Shanghai Huaqiu Trading Co.	Minority shareholder of Guangzhou subsidiary	3,922	0.16%	–	3,005	0.13%	
TSC Group Holding Limited (TSC)	Associate	41	0.00%	–	19,274	0.81%	
Others		–	–	–	1,045	0.04%	
Total		11,963	0.49%	–	23,324	0.98%	

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Inventories

(1) Inventories are summarised by categories as follows:

	31 December 2017			31 Dece be 2016		
	Book balance	Provision for decline in the value of inventories	Net book value	B ba a ce	P f dec e e f e	Ne b e
Ra a e a	3,971,003	(193,787)	3,777,216	3,252,604	(163,944)	3,088,660
W g e	3,001,600	(11,537)	2,990,063	2,223,924	(27,978)	2,195,946
F ed g d	4,485,352	(108,174)	4,377,178	3,713,285	(125,107)	3,588,178
C g e c	240,432	(184)	240,248	113,302	(242)	113,060
S a e a	204,266	(7,700)	196,566	213,712	(1,538)	212,174
L a ed c ab e	30,433	(164)	30,269	35,951	(72)	35,879
Ma e a a	38,228	–	38,228	22,887		22,887
C ed e e ed f a e	824,295	(14,900)	809,395	852,395		852,395
P e e de de e e	1,211,786	(4,992)	1,206,794	1,400,761		1,400,761
Off ee g ee ge e A d e f d e f c ac (4)	4,540,022 1,085,269	(207) (32,714)	4,539,815 1,052,555	4,658,377 1,241,321	(123)	4,658,254 1,241,321
T a	19,632,686	(374,359)	19,258,327	17,728,519	(319,004)	17,409,515

A a 31 Dece be 2017, e G ' c g ba a ce f e e c ded ca a ed b g c a g 143,787,000 (31 Dece be 2016: 187,359,000). T e e a e e a a c eb g c e ca a ed a 3.85% (2016: 3.16%).

A a 31 Dece be 2017, e e e c ed e e (31 Dece be 2016: N).

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Inventories (Continued)

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

	31 December 2016	Increase current year	Decrease current year	31 December 2017
Raw materials	3,252,604	53,176,247	(52,457,848)	3,971,003
Work in progress	2,223,924	42,305,344	(41,527,668)	3,001,600
Finished goods	3,713,285	63,308,678	(62,536,611)	4,485,352
Consumables	113,302	2,958,416	(2,831,286)	240,432
Spare parts	213,712	431,631	(441,077)	204,266
Low-value consumables	35,951	282,070	(287,588)	30,433
Materials in transit	22,887	62,459	(47,118)	38,228
Contract performance costs	852,395	671,795	(699,895)	824,295
Properties under development	1,400,761	652,515	(841,490)	1,211,786
Offshore engineering equipment	4,658,377	7,284,484	(7,402,839)	4,540,022
Amounts due from customers for contract work	1,241,321	16,434,036	(16,590,088)	1,085,269
Total	17,728,519	187,567,675	(185,663,508)	19,632,686

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

Category	31 December 2016	Increase current year	Decrease current year		Exchange Difference arising from translation	31 December 2017
		Increase	Reversal	Write-off		
Raw materials	163,944	95,418	(40,757)	(24,999)	181	193,787
Work in progress	27,978	7,343	(22,108)	(2,299)	623	11,537
Finished goods	125,107	85,659	(11,162)	(91,866)	436	108,174
Consumables	242		(58)			184
Spare parts	1,538	7,636	(1,576)		102	7,700
Low-value consumables	72	115	(24)		1	164
Reasonable expected development costs		14,900				14,900
Reasonable expected decommissioning costs		4,992				4,992
Offshore engineering equipment	123	100		(7)	(9)	207
Amounts due from customers for contract work		33,454			(740)	32,714
Total	319,004	249,617	(75,685)	(119,171)	594	374,359

F e ea e ded 31 Dece be 2017
(A a RMB'000 e e a ed)
(E g Ta a f Refe e ce O)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Inventories (Continued)

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

(a) T e f dec e a e f eG ' e ed g ea a ec g ed a f e ced fce a d c ad e - g a e ae a .

W e ff/ee a f f dec e a e f eG ' e ed g ea a f :

Category	Basis for provision	Reason for reversal/write-off
Ra a e a	T e ea abe a e e a e eb a e	I c ea e e ea abe a e/ age a e f e e
W g e	T e ea abe a e e a e eb a e	I c ea e e ea abe a e/ age a e f e e
F ed g d	T e ea abe a e e a e eb a e	I c ea e e ea abe a e/ age a e f e e
O de ce g a e a	T e ea abe a e e a e eb a e	I c ea e e ea abe a e/ age a e f e e
S a e a	T e ea abe a e e a e eb a e	I c ea e e ea abe a e/ age a e f e e
C g e c	T e ea abe a e e a e eb a e	I c ea e e ea abe a e/ age a e f e e
Rea e a ec ed de e e dc	T e ea abe a e e a e eb a e	I c ea e e ea abe a e/ age a e f e e
Rea e a de c c de e e dc	T e ea abe a e e a e eb a e	I c ea e e ea abe a e/ age a e f e e
Off ee g ee ge e	T e ea abe a e e a e eb a e	I c ea e e ea abe a e/ age a e f e e
A d ef d e f c ac	T e ea abe a e e a e eb a e	I c ea e e ea abe a e/ age a e f e e

(4) Amount due from customer for contract work

	31 December 2017	31 Dece be 2016
Agg ega e c ac c d ed a d f ec g ed da e (Le f e eabe e)	10,263,318	6,293,908
Le : g e b g ece ed a d ece abe	(9,290,348)	(5,131,718)
	972,970	1,162,190
I c d g:		
C c - g e e ce f ge b g	1,085,269	1,241,321
P ge b g e ce fc c - g e	(112,299)	(79,131)
	972,970	1,162,190

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Assets and liabilities held for sale

	31 December 2017		
	Carrying amount immediately before the classification	Provision for impairment of assets held for sale	Carrying amount

F e ea e ded 31 Dece be 2017
(A a RMB'000 e e ed)
(E g Ta a f Refe e ce O)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

A a 31 Dece be 2017, e baa ce f e g- e ecq ab e f ea ed a e d e e ea f e G a 128,736,000 (31 Dece be 2016: 108,990,000).

C a Na e	Re a	31 December 2017	31 Dece be 2016
LH aga ageadaa C., Ld. (LH aEe g)	A cae	77,192	90,752
N gXaCag g	A cae	21,045	
Y&CE g eC., Ld(Y&CE g e)	J Ve e	15,488	18,238
Z g X e	A cae	11,273	
Ne H S gUG	J Ve e	3,738	
T a		128,736	108,990

C e f -C e a e ae a ed b ca eg e a f :

	31 December 2017				31 Dece be 2016			
	Ending balance		Provision for bad debts		E d g baa ce		P f bad deb	
	Amount	% of total balance	Amount	% of total balance	A	% f a baa ce	A	% f a baa ce
C e f -C e a e d d a g fca a ead 83 de 16.74% f bad 12 12	50.07%	143,170	3.37%	49,775	34.77%			
-C e a e 3.26% bad de 261,374	6.29%	4,105,713	96.63%	257,419	6.27%			
		4,248,883	100%	307,194	7.23%			

For the year ended 31 December 2017
(Amounts in RMB'000 unless otherwise stated)
(Except for Reference Only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. Available-for-sale financial assets

	31 December 2017	31 December 2016
Measured at fair value		
Available-for-sale equity investments, listed	3,995	2,441
Trust	408,000	
Bond	28,661	30,803
Measured at cost		
Available-for-sale equity investments (1), unlisted	411,980	412,240
Others	10	307
Less: provision for impairment		
Available-for-sale equity investments (Note IV.10)	(3,065)	(3,065)
	(408,000)	
	441,581	442,726

(1) Because there is no quoted price in an active market for the unlisted equity investments and the fair value cannot be reliably measured, they are measured at cost less impairment.

Td[A)18(vailable-for)3 TD[cannot 819 552.0152 T:or)75.1(ny impai-sale finosses)55ancial 3/T144]TJET0.5 scn99.213 603/T144]7.638 -10.5 re396.85 60

For the year ended 31 December 2017
(All amounts in RMB'000 unless otherwise stated)
(Figures in Thousand of Reference Only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

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

Available-for-sale financial assets at fair value:

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

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. Long-term receivables

	31 December 2017	31 Dece be 2016
F a ce ea e ecq abe	20,223,046	21,814,831
Le ea ed f a c g c e	(7,514,064)	(8,593,181)
F a ce ea e ecq abe- e	12,708,982	13,221,650
Sae f g d b a e	83,048	325,592
O e	273,516	158,052
S b- a	13,065,546	13,705,294
Le : l f a e	(185,006)	(485,052)
T a	12,880,540	13,220,242

A a 31 Dece be 2017, e e g- e ecq abe d e f a e de d g e a 5% (c l e) f e g g f ec a ea ed a e . (31 Dece be 2016: N)

T e a e ea ece de f a ce ea e af e eba a ce ee da e, c a e ba ed c ac a d c ed ca f (c d g e e a e c ed g c ac a a e f f a g ba ed a e d e a eba a ce ee da e), a e ecq abe a f :

M ea e ece	31 December 2017	31 Dece be 2016
W 1 ea (c l e)	6,260,716	5,467,492
1 a d 2 ea (c l e)	3,240,272	3,608,636
2 a d 3 ea (c l e)	2,254,953	2,261,810
O e 3 ea	14,727,821	15,944,385
S b- a	26,483,762	27,282,323
Le ea ed f a ce c e	(8,813,914)	(9,845,686)
T a	17,669,848	17,436,637

A a 31 Dece be 2017, e g- e ecq abe de ec g ed d e a fe g ff a ca a e c e ea a ed 526,780,000 (31 Dece be 2016: 1,255,723,000):

	The derecognised amount	The income from derecognition
F a ce ea e ecq abe	526,780	11,719

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

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. Long-term receivables (Continued)

T ea a f g- e ecea abe d e f ea ed a e a f :

C a a e	Rea e G	31 December 2017	31 Dece be 2016
Ne H S g UG	J Ve e	138,335	
LH aE e g	A ca e	63,873	75,484
Y&C E g e	J Ve e	16,326	31,814
N g a H a g	A ca e	3,661	

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Long-term equity investments (Continued)

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

		Movements during the year						
	31 December 2016	Increase/ decrease in investment	Net profit recognised under equity method	Adjustment in other comprehensive income	Other equity movement	Cash dividend declared	Carrying amount reclassified to assets held for sale	31 December 2017	Provision for impairment
Qingdao Sifang CIMC Logistics Equipment Manufacturing Co., Ltd. (Qingdao Sifang Logistics)	36,294		9,034					45,328	
Sinoc (Saga) Refrigerated Equipment Co.,Ltd	2,171		(357)					1,814	
Saga Secure Vehicle Park Co., Ltd	11,340		457				(665)	11,132	
NKY Zenith	75,432		145			(9,443)		66,134	
Kaaa Zeglag Co (Tianjin) Co.,Ltd.	22,330		2,781					25,111	
Qingdao Jiefeng Bailong Cargo Marine Service Co., Ltd.	14,531	1,693	3,435			(4,113)	(486)	15,060	
Dalian Jing&Bailong Logistics Co., Ltd.	5,678		866			(1,000)	(344)	5,200	
Saga Bailong Dexing Cargo Marine Service Co., Ltd.	23,888	3,648	4,606				(1,217)	30,925	
Tianjin Bailong Cargo Marine Service Co., Ltd.	7,933		1,598			(1,826)	(479)	7,226	
Y&C Energy	195,777		16,999					212,776	
Sinotrans Container Investment Co., Ltd	1,630		(1,552)					78	
Ningbo Meishan Bonded Port Area Changjiang Logistics Equipment Management Partnership	50,100	3,000	(1,027)					52,073	
Hangzhou Xiaoliang Management Partnership	20,100	1,200	(217)					21,083	
New Hope SDIC	33,287						(1,915)	31,372	
Hangzhou Xiaoliang Management Partnership	10	(10)						–	
Total	500,501	9,531	36,768			(16,382)	(5,106)	525,312	

Refer to Note VI.2 for details

For the year ended 31 December 2017
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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Long-term equity investments (Continued)

(3) Long-term equity investments in joint ventures

For the year ended 31 December 2017
(All amounts are expressed in RMB'000 unless otherwise indicated)
(English translation for reference only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Long-term equity investments (Continued)

(3) Long-term equity investments in joint ventures (Continued):

	31 December 2016	Movements						31 December 2017	Provision for impairment
		Increase/ decrease in investment	Net profit recognised by equity method	Adjustment for other comprehensive income	Other changes in equity	Cash dividend declared	Provision for impairment		
Tangshan Caofeidian Investment & Development Co., Ltd.	21,110							21,110	
Jiangsu Guoxin Asset Management Co., Ltd. (Jiangsu Guoxin)	126,454					(7,208)		119,246	
Xinjiang Fuhai Guoxin Energy Co., Ltd.	688		444					1,132	
Caofeidian Port Investment Co., Ltd.	6,296							6,296	
CIMC Ocean Engineering (Qingdao) Co., Ltd.	5,227		(2,256)					2,971	
Shanghai Xiangguo Investment Management Co., Ltd.	679	(600)	(79)					–	
Nuclear Energy Development Fund	14,633	(1,852)						12,781	
Ningbo Changguo Investment Management Partnership (Limited Partnership)	18,331		(41)					18,290	
Chengdu Tianfu Culture Investment Co., Ltd.	2,637		(411)					2,226	
Shenergy Red Net Technology Co., Ltd. (Shenergy Red Net)	7,407	2,000	(1,177)					8,230	
Beijing Bohua Energy Investment Co., Ltd.	12,423		670					13,093	
Guangdong CHC Technology Co., Ltd.	23,829		2,494					26,323	
China Fortune-Safe Energy Growth Limited (China Fortune-Safe)	485,275		(2,109)	16,448		33,149		532,763	
Shanghai Tianyuan Shenergy Investment Management Partnership (Limited Partnership)	2,000		(245)					1,755	
Zhejiang Xinguang Babcock Co., Ltd.	14,447		(1,297)					13,150	
Ningbo Guangye Babcock Power Co., Ltd. (Ningbo Guangye)	662		405					1,067	
Harbin Qingguang Babcock Co., Ltd. (Qingguang babcock)	2,448		540					2,988	
UCS Guarantee LLC	5,779					(39)		5,740	
Jiangsu Bank	23,755		(1,443)			(967)		21,345	
Minsheng (Shanghai) Leasing Trade Co., Ltd. (Minsheng Shanghai)	851		58					909	
Shenergy Capital Holding Co., Ltd. (Capital Holding)	17,858		1,414					19,272	
Zhongxin	22,648		1,716					24,364	

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Long-term equity investments (Continued)

(3) Long-term equity investments in joint ventures (Continued):

The Group's investments in TSC, LH Asset Management, Jiangsu Rice, Oil (Shanghai), ZPMC, Caohejing Zhongxin, Henan Yuandadi Seed Technology Co., Ltd. are both 20%. Because the Group has appointed directors to these companies, the Group has significant influence over them.

As at 31 December 2017, the fair value of Mayer's Bread & Cafe, which is used for the Group's long-term borrowings and is measured based on the discounted cash flow method, is lower than the carrying amount of the long-term equity investment (31 December 2016: Nil).

14. Investment properties

	Buildings and relevant land use rights	Land use rights	Total
1 January 2016	730,168		730,168
Additions	78,176		78,176
Change in fair value	75,792		75,792
Transfer from fixed assets	131,859		131,859
Transfer from land use rights	46,843	130,551	177,394
Transfer from construction in progress	786		786
Reclassification to assets held for sale	102,062	482,772	584,834
Transfer to cost of sales upon disposal	(26,401)		(26,401)
31 December 2016	1,139,285	613,323	1,752,608

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(Amounts in RMB'000 unless otherwise stated)
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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Investment properties (Continued)

	Buildings and relevant land use rights	Land use rights	Total
1 January 2017	1,139,285	613,323	1,752,608
Change fair value	5,344		5,344
Transferred from owned use	21,120		21,120
Transferred from inventories	90,231		90,231
Transferred from construction in progress	34,424		34,424
Reclassification to assets held for sale	6,681		6,681
Transferred to owned use	(26,574)	(150,800)	(177,374)
Disposal	(5,045)	(48,800)	(53,845)
31 December 2017	1,265,466	413,723	1,679,189

In 2017, capitalised borrowing costs amounted to nil (2016: 1,266,000). The capitalised rate adopted in determining borrowing costs eligible for capitalisation in 2017 was 0% per annum (2016: 4.15% per annum).

In 2017, the accumulated change in fair value of investment properties recognised in the consolidated income statement amounted to RMB5,344,000. (2016: RMB75,792,000).

In 2017, the Group disposed investment properties with carrying amount of RMB53,845,000 and received consideration RMB104,000,000 (2016: Nil).

As at December 31, 2017, the Group pledged certain investment properties with carrying amount of RMB216,849,000 (December 31, 2016: RMB113,196,000) as collateral for the Group's bank borrowings. The certificates of title for these properties are expected to be released in 2018 and 2019. As at December 31, 2017, the Group pledged certain investment properties with carrying amount of RMB208,760,000 for which the certificates of title were not released (December 31, 2016: Nil).

C a e, XIII

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Fixed assets

(1) Fixed assets

	Plants and buildings	Machinery and equipment	Office and other equipment	Motor vehicles	Offshore engineering equipment	Dock, wharf	Total
O, g a c							
31 Dece be, 2016							
bAdd d e d ee T*()T EMC 3(c b a T0 -	18.245.4164D569,4706 4	6.2995.4164Dec4,58 6 4	6.8195.4164De9,525T	5.57795.4164D117,012T	9 .1795.416		
S a <</Ac! a Te <FEFF02003 BDC (T*()T EMC 3(, e,)T 6 -	18.5345.4164D(22,076)						

/S a <</Ac! a Te <FEFF02003 BDC (.080 0 98.5104.85978 398.233 T (O)T EMC 3.2 0 0 9 101.86978 398.233 T ([(f, c, 18(Aa g)f, 18(.1(e g]TJ/.70 T S a <</Ac! a Te <FEFF02003

For the year ended 31 December 2017
(Amounts in RMB'000 unless otherwise stated)
(Figures in the previous year are restated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Fixed assets (Continued)

(1) Fixed assets (Continued)

As at December 31, 2017, certain buildings with a carrying amount of RMB353,331,000 (carrying amount of RMB525,361,000) are pledged as collateral for bank loans with an aggregate amount of RMB500,000,000 (2016: RMB398,144,000). Refer to Note IV. 24 for details.

In 2017, depreciation charged amounted to RMB1,794,182,000 (2016: RMB1,687,106,000), of which RMB1,490,953,000, RMB20,483,000 and RMB282,746,000 (2016: RMB1,413,938,000, RMB20,737,000 and RMB252,431,000) have been charged to cost of sales, selling and distribution expenses and administrative expenses, respectively.

In 2017, certain buildings with a carrying amount of RMB1,975,332,000 (2016: RMB1,206,156,000) were transferred from investment properties.

(2) Temporarily idle fixed assets

As at 31 December 2017, the carrying amount of temporarily idle fixed assets amounted to RMB148,018,000 (original cost of RMB214,983,000) (31 December 2016: carrying amount of RMB207,894,000 and original cost of RMB409,415,000). The following table sets out the temporarily idle fixed assets:

	Original cost	Accumulated depreciation	Provision for impairment	Carrying amount
Packaging	162,813	(37,729)		125,084
Machinery	51,291	(28,624)		22,667
Transportation	42	(33)		9
Office & electronic	837	(579)		258
	214,983	(66,965)		148,018

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Fixed assets (Continued)

(3) Fixed assets held through finance leases :

	31 December 2017			31 December 2016		
	Book balance	Accumulated depreciation	Carrying amount	Book balance	Accumulated depreciation	Carrying amount
Plants and buildings	–	–	–	2,626	(1,875)	751
Machinery and equipment	14,779	(677)	14,102	527,599	(127,256)	400,343
Offshore engineering special equipments	33,031	(14,377)	18,654	31,113	(12,187)	18,926
Total	47,810	(15,054)	32,756	561,338	(141,318)	420,020

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(4) Fixed assets with certificates of ownership unsettled

	Carrying amount	Reason for pending
Fac	359,299	P e ce fca e be g e ge
Off ce b d g	28,401	P e ce fca e be g e ge
W	155,756	I f a da ed, be g e ge
D a d Ca ee	50,899	P e ce fca e be g e ge
Wa e e	97,483	U de e a a f e g a e a
O e	29,436	Ce fca e be g e ge
T a	721,274	

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Construction in progress

(1) Construction in progress

	31 December 2017			31 December 2016		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Vessels under construction	18,723,948	–	18,723,948	19,405,489		19,405,489
Raffles II (273, 1284 Project)	2,750,212	–	2,750,212	2,754,873		2,754,873
Zhoushan CIMC Hailong Logistics Project	76,842	–	76,842			
Facade facilities construction project	54,583	–	54,583			
CIMC Real Estate Project	50,897	–	50,897	47,633		47,633
Digital Manufacturing building project	18,030	–	18,030			
Digital Steel CIMC Fenggang Project	15,633	–	15,633	3,890		3,890
Energy construction project	13,678	–	13,678	88,101		88,101
Ningbo CIMC Real estate-based storage	11,522	–	11,522			
Tianjin CIMC real estate-based storage	11,414	–	11,414			
XHCIMCS Production Lead Project	5,352	–	5,352	1,506		1,506
TCCIMC technical upgrading project	4,615	–	4,615	5,400		5,400
Digital CIMC science and technology park project	4,601	–	4,601	11,497		11,497
Raffles storage capacity (completed 2000Teu)	3,178	–	3,178	3,080		3,080
C&C Technology upgrading project	1,956	–	1,956	35,218		35,218
Sea Service Gas Island project	–	–	–	9,760		9,760
CIMC Qingdao project	–	–	–	8,732		8,732
Refrigerated car project of Auto Qingdao						

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Construction in progress (Continued)

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

	Budgeted amount	31 December 2016	Current year increase	Transfer to fixed assets	Transfer to other assets	Transfer to intangible assets	Transfer to long-term prepaid expenses	31 December 2017	Proportion of cumulative amount to budgeted amount (%)	Project progress	Cumulative amount of capitalized interest	Including: current year capitalized interest	Interest capitalization rate for current year (%)	Source of funds	Increase/decrease in year-on-year comparison
Various docks and auxiliary facilities	26,208,671	19,405,489	1,746,767	(1,354,373)				18,723,948	92%	74%-100%	1,321,150	442,055	3.47%	Bank loans, Self-funding & others	(1,073,935)
Raffles H273, H1284 Projects	2,794,565	2,754,873	153,789					2,750,212	98%	95%	226,962	75,835	3.55%	Bank loans, Self-funding & others	(158,450)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. Disposal of fixed assets

	31 December 2017	31 December 2016
Pa a dd d g		90, Td(201s and buildings)Tj/T10 1 Tf35.0r5512(

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Intangible assets and development costs (Continued)

(2) As at 31 December 2017, intangible assets with pending certificates of ownership are as follows:

	Carrying amount in RMB	Reasons for unsettlement
SCIMCEL Ta g e g a d e g	55,000	e g e
C&C T c a d e g	43,000	e g e
SCIMCEL d	2,000	e g e
T a	100,000	

Af e e a a f b a d f d ec f e G , ea f e e ed a gbea e e ed ce fca e a f a e .

(3) A a 31 Dece be 2017, e e a e ced a gbea e (31 Dece be 2016: N).

(4) A a 31 Dece be 2017, e a gbea e def e el e Ga a F a c e c a ed 53,300,000 (31 Dece be 2016: 53,300,000).

(5) De e e c a :

	31 Dece be 2016	e ea add	Rec g ed a a gbe a e	31 December 2017
P ec e ce ec g	43,089	57,073	(52,533)	47,629
O e	6,901	16,584	(3,715)	19,770
	49,990	73,657	(56,248)	67,399

I 2017, e G ' de e e c a ed 725,386,000 (2016: 563,792,000) : 651,729,000 f c a d ded e e f a d e (2016: 519,440,000), a da a f 73,657,000 a ca a ed a a gbea e e d (2016: 44,352,000). A a 31 Dece be 2017, a gbea e a fe ed f de e e c e g acc ed f 1.20% (2016: 3.18%) f e a b . baa ce f a gbea e .

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Goodwill

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Goodwill (Continued)

(2) Impairment test for asset group including goodwill

T eg d a ca ed ea eg a dc b a fa eg a e a ed b ea g eg e a f :

	31 December 2017	31 Dece be 2016
C a e a eg	120,085	120,085
R ad a a ce a eg	415,664	408,658
E eg a dc e ca &f de e a eg	1,036,235	1,074,195
Off eeg ee ga eg	229,460	229,397
L g c e ce a eg	120,558	120,558
Hea c a eg	38,815	38,815
A e a eg	121,873	108,196
A eg g fca a ca e ce age fg d g	29,755	27,989
T a	2,112,445	2,127,893

(3) T ec e abea fa eg a dc b a fa eg ca ed eba f 3 5 ea b e e d fe aed ca f .F ca f e a 3 5 ea , e e e aed g ae d ecad a .

E e a a fd c ed e ca f e d:

	Enric	Vehicles UK	TGE SA	YPDI	Bassoe	Pteris	C &C Trucks	Hashenleng	Zhengzhou Logistics
G ae	3%	3%	3%	3%	3%	3%	3%	3%	3%
G f ae	18%	11%	14%	18%	80%	18%-27%	20%	18%	18%
D c ae	12.5%-14.63%	12.35%	12%	13.14%	11.10%	13.3%	15.7%	11.51%	16%

T e eg ed a e age g ae e ed b e a age e a acc da ce e e aed ae e d e , e ceed g e g e a e age g ae f eac dc .O e ba f ca e e ce a d a e de e e f eca , e a age e dee e eg f ae, a d e ad c ae c ca efec e ec fc , fa eg a dc b a fa eg .T e ab e a a ed a a e e ec e abea fa eg a dc b a fa eg f eb e eg e .

For the year ended 31 December 2017
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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Long-term prepaid expenses

	31 December 2016	Current year additions	Current year amortization	Exchange differences arising from translation	31 December 2017
Yard facilities	9,691	657	(2,788)	52	7,612
Project construction	133,924	114,806	(146,205)	1,199	103,724
Land use fees	9,439	10,655	(3,922)		16,172
Land use fees pending	19,996	25,298	(25,164)	(607)	19,523
Others	73,524	20,353	(35,692)	23	58,208
Sub-total	246,574	171,769	(213,771)	667	205,239
Less: current portion					–
Total	246,574	171,769	(213,771)	667	205,239

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Deferred tax assets and deferred tax liabilities

(1) The offsetting balances of deferred tax assets and liabilities offset and corresponding deductible or taxable temporary differences

	31 December 2017		31 Dece be 2016	
	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)	Ded c b e/ (a ab e) e a d ffe e ce	Defe ed a a e / (ab e)
Defe ed a a e :				
P f a e a e	3,015,044	710,854	1,546,119	322,474
Acc ed ab	999,526	209,194	690,921	139,994
E ee be ef a ab e	1,750,600	381,558	1,273,607	296,507
Acc ede e e	555,749	120,791	493,541	89,303
Ded c b e e	2,572,434	485,290	1,861,895	332,307
M e e f fa a e ff a c a a e a fa a e g f / edg g e	1,063	266	27,566	6,892
A a ab e-f - a e f a c a a e	3,048	762	14,230	2,134
I a-g ea ed e e e	18,136	4,534	18,904	4,726
O e	318,960	74,698	278,319	69,580
[redacted]	9,234,560	1,987,947	6,205,102	1,263,917
On e g a	(2,285,238-1.11	12,576	31 Td (741 31	(1,047)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Other non-current assets

	31 December 2017	31 Dece be 2016
P e a e f c c	64,094	7,429
P e a e f e e	13,516	8,695
P e a e f a d e g	6,956	32,235
E ed a	3,249	35,547
O e	71	2,447
T a	87,886	86,353

A a 31 Dece be 2017, T e e -c e a e d e f a e de d g e a 5% (c e) f e g g ea ed a e . (31 Dece be 2016: N).

23. Provision for asset impairment

	31 Dece be 2016	C e ea add	C e ea dec ea e Re e a	W e- ff	E c a ge d ffe e ce a g f a a g f eg C e ce	31 December 2017
P l f d b f deb						
I c d g: l f d b f deb f acc ece abe	629,236	229,452	(89,260)	(465)	(11,786)	757,177
P l f d b f deb f ece abe	1,580,439	147,281	(28,699)	(1,295,238)	(7,240)	396,543
P l f d b f deb f ad a ce e	226,967	57,228	(504)	(1,261)	(13)	282,417
P l f d b f deb f g-e ece abe (c d g N -c e a e d e ea)	792,246	138,934	(15,275)	(48,432)	(2,481)	864,992
P l f dec e a e f e e	319,004	249,617	(75,685)	(119,171)	594	374,359
P l f a e f g-e e e	2					2
P l f a e fa a abe-f - ae f a c a a e	3,065					3,065
P l f a e ff eda e	369,259	20,252		(99,681)	190	290,020
P l f a e fc c ge	2,421			(1,101)		1,320
P l f a e f a g bea e	175,672			(6,739)	(5,626)	163,307
P l f a e fg d	136,308	38,000			(1,185)	173,123
T a	4,234,619	880,764	(209,423)	(1,572,088)	(27,547)	3,306,325

P ea e efe e e ec l e e f ea e f ea f e l .

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Restricted assets

As at 31 December 2017, the Group's restricted assets:

	Note	31 December 2016	Current year additions	Current year decreases	Exchange difference arising from translation	31 December 2017
Cash at bank and on hand	IV.1	987,257	424,136	(57,557)		1,353,836
Notes receivable	IV.3	206,753	38,486	(151,704)		93,535
Long-term receivable	IV.12	8,164,729	307,977	(457,683)		8,015,023
Fixed assets	IV.15	398,144		(44,813)		353,331
Total		9,756,883	770,599	(711,757)		9,815,725

Long-term receivables are pledged as collateral for mortgage loans. Notes receivable are pledged for issuance of bank acceptance bills. Refer to IV.15, ..6( )0.5 , fee ae e8(eca , c1.33 c)

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. Short-term borrowings

(1) Classification of short-term borrowings:

	N e	31 December 2017	31 Dece be 2016
Guaranteed	(a)		
USD		417,560	2,938,354
RMB		1,506,156	937,852
EUR		364,490	61,487
S b- a		2,288,206	3,937,693
Pledged	(b)		
RMB		96,987	59,902
Unsecured			
USD		10,133,467	7,427,465
EUR		197,552	478,076
RMB		2,330,975	3,613,782
HKD		249,100	
O e		–	48,649
S b- a		12,911,094	11,567,972
Discounted notes			
RMB		21,060	164,220
T a		15,317,347	15,729,787

(a) A a 31 Dece be 2017, g a a eed b g f e G c ed f e f g: T e b da H g Be g ed ed a g a ee a f RMB112,000,000 f e b da CIMC f a c g a d ea g; e b da CIMC Raff e a g a a eed b CIMC Raff e Ma e E g ee g (S ga e) P e L d a d Ya a CIMC Raff e S a d. G a a eed b g a ed RMB1,100,294,000 a d US$40,393,000 (e a e RMB264,006,000); S b da C&C T c ded g a a eed a f RMB210,000,000 g a a eed b e C a ; S b da CIMC f a c g a d ea g G a a eed a g a a eed b e C a a d CIMC HK RMB3,000,000, USD23,500,000 (e a e RMB153,554,000); G a a eed a f RMB80,862,000 ded b e c a b da C&C T c a e g g a a ee f e C a , EUR46,728,000 (e a e RMB364,490,000) f g a a ee a f

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

26. Financial liabilities at fair value through profit or loss

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

28. Accounts payable

(1) The Group's accounts payable is as follows:

	31 December 2017	31 Dece be 2016
D e a ae a e	10,124,956	8,303,845
I eg a ed g c e ce c age	559,737	461,925
P ec c ac c age	341,552	259,029
P ec c e e c age	387,357	658,048
D e e e e	579,407	150,029
T a a c age	81,816	135,159
P ce g c age	43,661	129,178
O e	97,825	63,738
T a	12,216,311	10,160,951

T e a a facc a abe a f :

	31 December 2017	31 Dece be 2016
W 1 ea (c e)	11,538,059	9,535,350
1 2 ea (c e)	313,282	414,188
2 3 ea (c e)	157,749	153,893
O e 3 ea	207,221	57,520
T a	12,216,311	10,160,951

A a 31 Dece be 2017, acc a abe e 1 ea a ca g a f 678,252,000 (31 Dece be 2016: 625,601,000) a e a a abe ,ea ed ff ,e e g ee g b e a d e g a d c e ca b e . S ce e , d c c ce f e ff ,e b e e g ee g , ec a d e g a d c e ca

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

28. Accounts payable (Continued)

(2) As at 31 December 2017, the accounts payable aged over one year (over 5%) for the Group mainly included:

		31 December 2017		31 December 2016	
Content	Reason	Amount	% of total balance	Amount	% of balance
Y&C Energy	Joint venture	45,506	0.37%	66,157	0.65%
Shanghai Zhenhua Heavy Industry Co., Ltd.	Matured but not due	20,300	0.17%		
Qingdao Port Group	Associate	17,097	0.14%	8,138	0.08%
Ningbo Port Co., Ltd.	Associate	16,999	0.14%		
Xiamen CIMC Wanda Co., Ltd.	Associate	14,813	0.12%	17,905	0.18%
Guangzhou Port Co., Ltd.	Joint venture	8,884	0.07%		
TSC	Associate	7,959	0.07%	25,727	0.25%
Ningbo Port Co., Ltd.	Associate	2,931	0.02%		
Anhui Tadano Co., Ltd.	Matured but not due	2,162	0.02%	15,902	0.16%
Others		1,844	0.01%	13,108	0.13%
Total		138,495	1.13%	146,937	1.45%

29. Advances from customers

(1) Advances from customers

	31 December 2017	31 December 2016
Advances from third parties	4,074,032	3,167,715
Advances from related parties	282,207	208,583
Advances from customers for construction	168,297	155,912
Advances from unsatisfied performance obligations	51,218	70,508
Others	48,334	177,976
Total	4,624,088	3,780,694

As at 31 December 2017, advances from customers over 1 year amounted to RMB289,060,000 (31 December 2016: 330,291,000), mainly the advances received from customers for vessels not yet delivered. Since the delivery of vessels from customers was not completed.

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

29. Advances from customers (Continued)

(2) A a 31 Dece be 2017, e e ad a ce f d e f e d 5% , e f e g g ea ed a e . P e-ad f ea ed a e a f :

C a a e	Rea e G	31 December 2017 Amount	31 December 2017 % of total balance	31 Dece be 2016 A	31 Dece be 2016 % f a ba a ce
Ne H S g UG	J e e	47,046	1.02%		
S aa Z g	M a e de f b da e	895	0.02%	40	0.00%
Be g B e A a Fac e Ma age e C ., L d. (Be g B e)	M a e de f b da e	–	–	12	0.00%
O e ea ed a e		2	0.00%		
T a		47,943	1.04%	52	0.00%

balancember 2016

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. Employee benefits payable (Continued)

(1) Short-term wages

	31 December 2016	Current year increase	Current year decrease	Exchange difference arising from translation	31 December 2017
Wages and salaries, bonuses, allowances and subsidies	1,699,319	5,711,262	(5,181,633)	2,210	2,231,158
Pension and annuity benefits	205,151	103,239	(17,051)		291,339
Housing funds	6,118	227,403	(208,571)	(99)	24,851
Labour union funds and employee education funds	62,236	43,526	(40,978)	(740)	64,044
Social security contributions	12,517	183,995	(178,953)		17,559
Including: Medical insurance	9,564	152,990	(149,110)		13,444
Work injury insurance	1,583	19,921	(19,425)		2,079
Maternity insurance	1,370	11,084	(10,418)		2,036
Other short-term benefits	104,784	687,222	(743,879)	938	49,065
Total	2,090,125	6,956,647	(6,371,065)	2,309	2,678,016

(2) Defined contribution plans

	31 December 2016	Current year increase	Current year decrease	Exchange difference arising from translation	31 December 2017
Basic pensions	21,455	432,596	(426,205)		27,846
Unemployment insurance	2,554	10,381	(9,125)		3,810
Enterprise annuities	147	2,761	(2,702)		206
Total	24,156	445,738	(438,032)		31,862

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. Employee benefits payable (Continued)

(3) Dismission welfare

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

34. Other payables (Continued)

(3) A a 31 Dece be 2017, e e a e a ab e ed a e de d g e a 5% (d g 5%) f e g g f e G . O e a ab e ed ea ed a e a ea ed f :

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

35. Provisions

	Note	31 December 2016	Additional	Current year addition	Current year reversal	Current year utilization	Exchange difference arising from foreign currency translation	31 December 2017
Product warranty	(1)	690,574	99,997	483,364	(117,117)	(229,025)	(10 SQ-1 T2 gf	

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

36. Current portion of non-current liabilities

T e G ' C e f -C e ab e a ea a ed b ca eg e a f :

	N e	31 December 2017	31 Dece be 2016
C e f g- e b g	IV.38		
U ed ed		2,134,980	3,401,313
M gaged		1,476,028	
C a eed		371,618	124,397
		3,982,626	3,525,710
C e f g- e a abe			
F a ce ea e a abe		107,388	136,571
Le ea ed f a c ge e e		(14,034)	(15,826)
F a ce ea e a abe- e	IV.40	93,354	120,745
O e		7,255	17,567
		100,609	138,312
O e		2,344	3,850
T a		4,085,579	3,667,872

37. Other current liabilities

	N e	31 December 2017	31 Dece be 2016
C e ca a e ed b e G	(1)		

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(Figures in Chapter IV are prepared with reference to CIFRS)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Long-term borrowings

(1) Classification of long-term borrowings

	Note	31 December 2017	31 December 2016
Bank borrowings			
Unsecured		10,668,493	11,496,937
Mortgaged	(i)	5,236,902	6,260,830
Guaranteed	(ii)	12,217,399	12,791,165
		28,122,794	30,548,932
Less: current portion of long-term borrowings			
Unsecured		2,134,980	3,401,313
Mortgaged	(i)	1,476,028	
Guaranteed	(ii)	371,618	124,397
		3,982,626	3,525,710
Total		24,140,168	27,023,222

(i) As at December 31, 2017, the Group's long-term borrowings mortgaged by property, plant and equipment amounted to USD810,460,000 (equivalent to RMB5,236,902,000). The long-term borrowings mortgaged by land use rights amounted to USD225,893,000 (equivalent to RMB1,476,028,000).

(ii) As at 31 December 2017, the Group's guaranteed borrowings were mainly provided by the Company and its subsidiaries, amounted to USD1,487,000,000 (equivalent to RMB9,718,954,000) were guaranteed by the Company and CIMC HK, and the amount of USD48,811,000 (equivalent to RMB318,940,000); The guaranteed amount of RMB7,203,000 was guaranteed by CITIC Heavy Tech Co., Ltd. of the Group and CIMC Heavy Tech Co., Ltd.; the guaranteed amount of CIMC Vehicles UK Limited (Vehicles UK) was guaranteed by the Company amounted to GBP27,000,000 (equivalent to RMB237,050,000), and the long-term borrowings denominated in Hong Kong dollars of GBP6,000,000 (equivalent to RMB52,678,000); the guaranteed amount of CIMC Leasing was RMB150,363,000.

(2) No interest rate swap agreement was signed by the Group and the weighted average interest rate of long-term borrowings was 5% per annum. (2016:)

(3)

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

39. Debentures payable

	31 December 2016 and 31 December 2017
Med - e e	7,986,500

(1) Related information is as follows:

Debenture name	Par value	Issuance date	Maturity	Issuance amount
Med - e e -16CIMC MTN1 ( )	3,500,000	2016/8/11	3 ea	3,500,000
Med - e e -16CIMC MTN2 ( )	2,500,000	2016/8/22	3 ea	2,500,000
Med - e e -16CIMC MTN3 ( )	2,000,000	2016/10/17	3+N ea	1,986,500
T a	8,000,000			7,986,500

( ) T e C a ca e ed - e e e a a e-ba . b d a e . T e c a ed f ed - e e (MTN) a f 3.5 b 11 A g 2016 a ce g f 6 b a l e , e a a e-ba . b d a e ; a l a e f 100 e e a d f ed e e , a e f 3.07% e a . I e e be ad 11 A g eac ea e a , ea , ede a d a l a e be ad 11 A g 2019. T e a e ec , ed a d a ge a l e , e a a e-ba . a e . A a 22 A g 2016, e C a ade e ec d e a f 2.5 b a l a e f 100 e e a d f ed e e , a e f 3.15% e a a cce ed b c . I e e be ad 22 d A g eac ea , ea , ede a d a l a e be ad 22 A g 2019. T e a e ec , ed a d a ge a l e , e a a e-ba . a e .

( ) A a 17 Oc be 2016, e C a ed ed - e e a f 2 b a face a e. T e a a fe ded c g e e fee a RMB1,986,500,000. T e ed - e e a e ed f , ge e a c , a e f a ce , e . T e f , ee e e -bea g ea , a e acc ed a a e e , a e f 3.89% e a a d a e a d a a f Oc be 14, 2017 a d e C a ca c ea defe ed e e a e . F , e f , e e -bea g ea , ec , a e , e e e e 3 ea . T e ed - e e e a e f ede , da e a d a be , edee ed b e C a , afe Oc be 14, 2019 a e , a l a e, ge e a a e fa acc ed, a d , defe , ed e e . Bef , e e e e e f defe , ed e e (C d g e e e f defe , ed e e), e e ca d , b e d de d, , ed ce ca a , a e a e ec , e a a e fe , e de e . A a , e f e de , ec ca e, e a e , f e e de , e C a , e , ed , e a e , c a a d e e f e C a a d b da e a d , e a 80% e a fa ed e e a f a ca a a de , e ceed ea , eed a . T e ef , e, e ed e e a e , ea ed a ab e .

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

40. Long-term payables

	31 December 2017	31 Dece be 2016
F a ca Lea e a abe	229,806	323,920
Le ea ed f a c ge e e	(10,585)	(34,723)
F a ca Lea e a abe - e	219,221	289,197
Pa abe a e de	–	120,789
De a abe	101,834	117,922
O e	26,214	1,464

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

41. Payables for specific projects

	31 Dece be 2016	C e ea add	C e ea dec ea e	31 December 2017
P ec f d	9,704	5,360	(937)	14,127

42. Deferred income

	N e	31 Dece be 2016	C e ea add	C e ea dec ea e	31 December 2017	Rea
G e e ga	(1)	829,742	189,452	(178,108)	841,086	G e e Ga ec ed, be ec g ed e e d
O e		9,996	776	(5,626)	5,146	D g ae f ea g ea g ec ab e, be ec g ed e e d
T a		839,738	190,228	(183,734)	846,232	

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Deferred income (Continued)

(1) Government grants

	31 Dece be 2016	I ea e ec e ea	Dec ea e ec e ea					31 December 2017	A e ea ed/ I c ea ed
			F ed a e	Ge a ad a e e e	F a ca e e e	N - ea g c e	N - ea g e e e		
Ya a Raffe Na a De e ead Ref C e ea e f d a g ad g ec dge e	200,000			(11,460)				188,540	A e ea ed
E c e ca c e a	184,253			(7,132)				177,121	A e ea ed
E c e fac g e e ga	80,396			(3,469)				76,927	A e ea ed
S a CIMC Ve cel d Ga de c c ga	54,052			(7,668)				46,384	A e ea ed
N gb C a e Ma fac e d f d	38,000							38,000	A e ea ed
TAS d a ba e ec	28,291	4,220		(3,899)				28,612	A e ea ed
QDCRC dba fa ga e ec		27,730		(193)				27,537	A e ea ed
C&C c g e dd a	30,000			(2,679)				27,321	A e ea ed
Ma eE g ee g e Te g ad Te g Paf C c Ma eE g ee g e Te g Paf C c		14,840						14,840	A e ea ed
QDSCR dba fa ga e ec		13,578		(94)				13,484	A e ea ed
Taca g CIMC S eca L g c e C .Ld.	11,396			(304)				11,092	A e ea ed
TCCIMC a dc e a	9,862			(263)				9,599	I c ea ed
XHCIMCS Z ag e ba ad a ced		4,220		(7,668)					

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Deferred income (Continued)

(1) Government grants (Continued)

	31 Dece be 2016	C e ea add	Dec ea e ec e ea					31 December 2017	A e ea ed/ Ic e ea ed
			F ed a e	Ge a ad O e ad a e F ac a e c e		N - eag c e	N - eag c e		
MEA eca d d a La	5,520							5,520	A e ea ed
Se e S e L Yac R&D De g Lab a P ec		5,000	(85)					4,915	A e ea ed
A a e fc ca e face eca e c ea d e d a a ec	3,000	2,180	(1,000)					4,180	A e ea ed
Ya a Raffe Se e Ge e a S e Dee ae D g Paf (B a) I La Seca	26,504	19,013	(41,430)					4,087	A e ea ed
Se e Sa Ba e e adTec g E g ee g Lab a P ec	5,000		(917)					4,083	A e ea ed
La d g d ad ec ca R&D d fS a d g e ce	4,270		(225)					4,045	A e ea ed
Ta f a ec f g-ec Ja g P L ce fYa g R a g	2,256		(225)					2,031	A e ea ed
C&C T c e e f a c g ea e b de		2,626	(613)					2,013	A e ea ed
TAS ec g de e e d	886		(97)					789	A e ea ed
C a e G e e Ga f CCHQ		4,000	(4,000)					–	Ic e ea ed
E L e a f ed ega dee ae f a g d c age (FPSO) a da ca f es C a Sea	6,000		(6,000)					–	A e ea ed
G e e b de f XHCIMCS	17,362		(17,362)					–	A e ea ed
G e e b de f X M d a B d g Ma fac g	10,764		(10,764)					–	A e ea ed
O e	82,416	55,004	(53,895)					83,525	A e ea ed/ Ic e ea ed
T a	829,742	189,452	(178,108)					841,086	

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

44. Share capital

	31 Dece be 2016 '000	C e ea add '000	C e ea dec ea e '000	C a ge f a e b ec e g e c '000	31 December 2017 '000
Shares subject to trading restriction	4,312	–	200	1,265,813	
He d b d e c a a e	699			(200)	499
Shares not subject to trading restriction					
RMB-de a ed d a a e	1,261,301	4,312		200	1,265,813
F e g a e ed e ea	1,716,577				1,716,577
T a	2,978,577	4,312			2,982,889m.e

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

45. Other equity instruments

	31 December 2016	Current year increase	Current year decrease	30 December 2017
Perpetual bond	2,049,035	87,808	(103,800)	2,033,043

	31 December 2015	Current year increase	Current year decrease	30 December 2016
Perpetual bond	2,033,043	119,792	(103,800)	2,049,035

As at 16 June 2015, the Group issued perpetual bonds at a total of 2,000,000. The total amount raised was 1,981,143,000 after deducting the underwriting fee and other transaction costs. The bonds are without fixed maturity date. The coupon rate is 5.19% per annum for the first 3 years. For 16 June 2016, the Group had the option to extend the bonds for another 3 years. After the first interest-bearing year, each extension period is 3 years. The Group has the right to defer the bond interest payment at any time and for any number of times. Before the payment of deferred interest (including the deferred interest), the Group cannot declare or distribute dividends to ordinary shareholders or reduce the registered capital.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

46. Capital surplus (Continued)

	31 December 2015	Current year addition	Current year decrease	31 December 2016
Share premium	3,577,648	12,773		3,590,421
Other capital reserves:				
Exchange reserve arising from foreign currency translation	692			692
Deemed contribution from shareholders	257			257
Equity-settled share-based payment	402,887	22,316	(5,199)	420,004
Capital surplus arising from acquisition of subsidiaries	14,275	1,692		15,967
Capital surplus arising from business combination under common control	207,660	227,441		435,101
Decrease in non-controlling interests as a result of dilution of interests in subsidiaries (Note 39(g))	899,128	903		900,031
Capital surplus arising from changes in equity of associates	(42,696)			(42,696)
Capital surplus arising from acquisition of non-controlling interests	(224,430)		(22,239)	(246,669)
Capital surplus arising from business combination under common control	(58,964)			(58,964)
Effect of income tax on equity settlement	(406,795)			(406,795)
Capital surplus arising from acquisition of subsidiaries	(51,925)			(51,925)
Recognition of put-back obligation granted to non-controlling interests	(1,249,826)		(300,000)	(1,549,826)
Others	113,952	7,035		120,987
Total	3,181,863	272,160	(327,438)	3,126,585

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

47. Other Comprehensive Income

	2017					
	31 December 2016	Pre-tax amount incurred in current year	Less: Income tax	Post-tax amount attributable to the Company	Post-tax amount attributable to the minority	31 December 2017
Items that will be reclassified subsequently to profit or loss:						
Profit on revaluation of land	43,754	–	–	–	–	43,754
Cash flow hedge reserve of available-for-sale financial assets	(3,344)	862	(294)	568	–	(2,776)
Cash flow hedge	80	4,299	(645)	3,654	–	3,734
Exchange differences on translation of foreign currency	(164,200)	(182,393)	–	(124,633)	(57,760)	(288,833)
Share of other comprehensive income of associates	–	(52,115)	13,029	(39,086)	–	(39,086)
Share of other comprehensive income of associates reclassified to profit or loss	–	16,448	–	16,448	–	16,448
Total other comprehensive income to be reclassified to profit or loss in subsequent periods	481,051	6,681	(1,670)	5,011	–	486,062
	357,341	(206,218)	10,420	(138,038)	(57,760)	219,303

	2016					
	31 December 2015	Pre-tax amount incurred in current year	Less: Income tax	Post-tax amount attributable to the Company	Post-tax amount attributable to the minority	31 December 2016
Items that will be reclassified subsequently to profit or loss:						
Profit on revaluation of land	43,754					43,754
Cash flow hedge reserve of available-for-sale financial assets	(3,240)	(104)		(104)		(3,344)
Cash flow hedge	(4,074)	4,887	(733)	4,154		80
Exchange differences on translation of foreign currency	(554,570)	462,287		390,370	71,917	(164,200)
Gain/(loss) from changes in fair value of available-for-sale financial assets/ gain on disposal of subsidiaries	3,653	584,834	(83,825)	477,398	23,611	481,051
	(514,477)	1,051,904	(84,558)	871,818	95,528	357,341

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

48. Surplus reserve

	31 December 2016	Current year addition	Current year decrease	31 December 2017
Statutory surplus reserve	1,489,287	2,156		1,491,443
Discretionary surplus reserve	1,790,092			1,790,092
Total	3,279,379	2,156		3,281,535

	31 December 2015	Current year addition	Current year decrease	31 December 2016
Statutory surplus reserve	1,413,486	75,801		1,489,287
Discretionary surplus reserve	1,790,092			1,790,092
Total	3,203,578	75,801		3,279,379

In accordance with the Company Law of the People's Republic of China and the Articles of Association of the Company, the Company and its subsidiaries in the PRC are required to appropriate 10% of their profit after tax (calculated under the relevant PRC accounting rules) to statutory surplus reserve, after offsetting accumulated losses from previous years. Appropriation to statutory surplus reserve can be ceased when the balance of such reserve reaches 50% of the registered capital.

The Company appropriates profit to discretionary surplus reserve after the shareholders' general meeting approves the Board of Directors' proposal. The discretionary surplus reserve can be used to offset accumulated losses, if any, and to increase capital.

49. Undistributed profits

	Note	2017	2016
Undistributed profits at the beginning of the year		17,495,053	17,805,808
Add: profit attributable to shareholders of the Company for the current year		2,509,242	539,660
Less: Interest of perpetual bonds		(87,808)	(119,792)
Less: appropriation to statutory surplus reserve		(2,156)	(75,801)
Less: dividends declared	(1)	(179,837)	(654,822)
Undistributed profits at the end of the year		19,734,494	17,495,053

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

49. Undistributed profits (Continued)

(1) Dividends of ordinary shares declared during the year

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

50. Revenue and cost of sales (Continued)

(3) Revenue and cost of sales from other operations

	2017		2016	
	Revenue from other operations	Cost of sales from other operations	Re e e f e a	C f ae f e a
Re de g f e ce	1,112,771	436,712	786,869	269,449
Sae f a ae a	659,447	263,606	364,767	193,559
T a	1,772,218	700,318	1,151,636	463,008

51. Taxes and surcharges

	2017	2016	Ta ba e
C a e a ce a d c c a	108,394	132,272	7% f VAT a d b e
Ed ca a -c a ge	82,806	99,173	3% 5% f VAT a d b e a ad
Te e a	125,022	96,127	Ac a ga ea f a d a d a
La d a eca a	75,163	55,503	A eca a a fe g e ad a cabe a ae
H g e a	79,706	63,360	Rea e ae e a c ea da cabe a ae
B e a	–	21,421	3% 5% f e e e
Sa D	33,213	24,272	A be f a abe c e a da cabe a ae a
O e	12,419	10,971	
T a			

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

52. Selling and distribution expenses

	2017	2016
Transportation and delivery fees	1,138,257	685,992
Employee benefits	811,113	720,700
Sponsorship fees	359,520	333,922
Warranty	207,391	96,219
Entertainment expenses	101,040	68,133
Product maintenance fee	40,163	19,161
Agency fees	38,631	39,149
Advertising	49,150	44,307
Storage	14,025	23,834
Others	167,428	125,563
Total	2,926,718	2,156,980

53. General and administrative expenses

	2017	2016
Employee benefits	2,238,096	1,775,770
Technology development expenses	651,729	519,440
Agency fees	269,891	254,440
Depreciation	282,746	252,431
Amortization	265,686	228,404
Performance bonus and long service bonus	476,910	175,826
Rental	192,377	145,335
Listing expenses and share-based payments	120,275	106,476
Taxes and surcharges	119,552	62,905
Share-based expenses	16,324	32,384
Audit fees	13,460	14,070
Office expenses, travelling expenses and others	835,008	641,117
Total	5,482,054	4,208,598

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

54. Financial expenses-net

	2017	2016
I e e e e e	1,666,516	1,409,223
Le : ca a ed b gc	517,890	507,365
Le : e e c e	227,261	142,335
E c a ge e /(ga)	378,290	(175,044)
O e	146,666	134,630
T a	1,446,321	719,109

55. Expenses by nature

C f e ce, e ge e e, ge e a ad a ee e e a d f a ca e e e c e a e e b a e a e a a ed a f :

	2017	2016
F edg d a d - ce e e	(1,549,743)	(311,400)
C f a a e a a d ced a dea a ce, ec	55,997,065	35,135,856
Saa a d age	7,402,385	5,925,685
De eca a da a	2,343,346	2,191,830
Re a	319,052	331,061
S g a d a d gc a ge	1,184,077	817,931
Se g e a e e e	359,520	333,922
Tec g de e e c	651,729	519,440
P e e e e	672,161	519,311
P ce g a d e a ge e e	633,742	535,228
A d fee	13,460	14,070
O e e e e - e a fac ge e e	470,498	423,193
O e e e e - e e ga dd b e e e	557,183	337,318
O e e e e - e ge e a a dad a ee e e	1,647,012	1,074,150
	70,701,487	47,847,595

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

56. Profit arising from changes in fair value

	2017	2016
Financial assets at fair value through profit or loss		
Change arising during the year		
1. Profit from change in fair value of held-for-trading	56,175	7,776
2. Profit/(loss) from change in fair value of derivative financial assets	21,454	70,286
(Loss)/Profit from derecognition of financial assets at fair value through profit or loss	(1,252)	232,153
Sub-total	76,377	310,215
Investment properties at fair value	5,344	75,792
Financial liabilities at fair value through profit or loss		
Change arising during the year		
1. Profit from change in fair value of derivative financial liabilities	12,813	242,308
2. Profit/(loss) from change in fair value of hybrid instruments	16,782	(14,402)
Sub-total	29,595	227,906

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

58. Gain on disposal of assets

	2017	2016	A ec g ed I ed g f 2017
Ga d a ff eda e	100,791	102,444	100,791
Ga d a fI a gbea e	12,543	299,902	12,543
T a	113,334	402,346	113,334

59. Other income

	2017	2016	A e ea ed/ I c e ea ed
F a ca b de	392,270		A e ea ed/ I c e ea ed
Ta e d	56,791		I c e ea ed
O e	23,565		I c e ea ed
T a	472,626		

60. Asset impairment losses

	2017	2016
I e e	173,932	100,725
Acc ece abe	140,192	174,954
O e ece abe	118,582	1,403,702
L g- e ece abe (N -d e a e d e e ea)	123,659	271,429
Ad a ce e	56,724	46,716
G d	38,000	77,557
F eda e	20,252	8,310
I a gbea e	–	5,936
C c ge	–	305
T a	671,341	2,089,634

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

63. Income tax expenses

	2017	2016
C e c ea ca aed ba ed a a d ea ed eg a	1,266,361	985,708
Defe ed c ea	(15,535)	(18,640)
T a	1,250,826	967,068

Rec c a be ee c ea e e e a d acc g f a f :

	2017	2016
P f bef e a	4,409,241	1,702,051
I c e a e e e ca aed a a cab e a ae	974,772	340,144
Effec f a ce e	(148,887)	(112,254)
E e e ded c bef a e	135,909	122,230
O e c e bec a	(37,101)	(1,958)
U a f e ec g ed a e	(128,878)	(41,584)
Ta effec f ec g ed a e	464,203	362,965
Ded c b e e a d ffe e ce ec g ed defe ed		

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

64. Earnings per share

(1) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue during the year:

	2017	2016
Consolidated profit attributable to ordinary shareholders of the Company	2,509,242	539,660
Interest on the convertible bonds	(87,808)	(119,792)
Consolidated profit (adjusted) attributable to ordinary shareholders of the Company	2,421,434	419,868
Weighted average number of ordinary shares in issue ('000)	2,980,056	2,978,296
Basic earnings per share (RMB/share)	0.81	0.14
Including: Continuing basic earnings per share	0.81	0.14

(2) Diluted earnings per share

Diluted earnings per share is calculated by dividing the consolidated profit attributable to ordinary shareholders of the Company (adjusted based on dilutive potential ordinary shares) by the weighted average number of ordinary shares in issue (adjusted):

	2017	2016
Consolidated profit attributable to ordinary shareholders of the Company	2,509,242	539,660
Interest on the convertible bonds	(87,808)	(119,792)
Effect of exchange gain	(1,371)	
Consolidated profit (adjusted) attributable to ordinary shareholders of the Company	2,420,063	419,868
Weighted average number of ordinary shares in issue (diluted) ('000) (adjusted)	2,988,147	2,984,119
Diluted earnings per share (RMB/share)	0.81	0.14

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

65. Notes to the consolidated cash flow statement (Continued)

(3) Cash received relating to other investing activities

	2017	2016
Ca eceed f g e e a ed a e	189,452	438,526
O e	–	8,394

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

66. Information to cash flow statement

(1) Supplementary information to the consolidated cash flow statement

(a) Reconciliation from net profit to cash flows from operating activities

	2017	2016
Net profit	3,158,415	734,983
Add: Provision for asset impairment	671,341	2,089,634
Depreciation of fixed assets	1,794,182	1,687,106
Amortization of intangible assets	335,393	383,811
Amortization of long-term prepaid expenses	213,771	120,913
Loss on disposal of fixed assets, intangible assets and other long-term assets	97,699	151,788
Gain from bargain purchase	(68,701)	
Gain on change in fair value	(111,316)	(613,913)
Finance cost	1,666,516	1,798,022
Investment income	(510,351)	(234,410)
Share-based payment expenses	16,324	32,384
Increase in deferred tax assets	(158,967)	(60,668)
Deferred tax liabilities	(178,108)	(116,575)
Increase in deferred income	64,627	64,998
Increase in inventories	(1,772,602)	(451,064)
Increase in operating receivables	(5,369,090)	(4,372,074)
Increase in operating payables	4,426,246	1,126,684
Net cash flows from operating activities	4,275,379	2,341,619

(b) Net (decrease)/increase in cash and cash equivalents

	2017	2016
Cash and cash equivalents at end of year	5,442,857	6,338,667
Less: cash and cash equivalents at beginning of year	6,338,667	3,259,123
Net (decrease)/increase in cash and cash equivalents	(895,810)	3,079,544

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

66. Information to cash flow statement (Continued)

(2) Information on acquisition of subsidiaries and other business units during the year

	2017	2016
I. Information on acquisition		
Cash and cash equivalents paid for acquisition	814,800	965,036
Less: Cash and cash equivalents held by subsidiaries and other business units on the date of acquisition	250,655	226,674
Net cash paid for acquisition	564,145	738,362
Net assets acquired		
Current assets	1,677,482	604,411
Non-current assets	653,113	505,556
Current liabilities	(1,306,414)	(537,137)
Non-current liabilities	(107,244)	(123,640)
Minority interests	(14,194)	(20,764)

(3) Information on disposal of subsidiaries or other undertakings:

	31 December 2017	31 December 2016
I. Information on disposal:		
1. Cash and cash equivalents received on disposal	506,972	232,000
Less: Cash and cash equivalents held on the disposed date	31,343	25,579
2. Net cash received on disposal	475,629	206,421
Proceeds from disposal in 2017	651,133	548,257
Net assets from disposal		
Current assets	189,441	1,374,610
Non-current assets	332,514	203,105
Current liabilities	(404,461)	(1,454,511)
Non-current liabilities	(915)	(12)
Minority interests	75,746	

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

66. Information to cash flow statement (Continued)

(4) Cash and cash equivalents

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

67. Monetary items denominated in foreign currency

	31 December 2017		
	Functional currency (in thousands)	Exchange Rate	in RMB
M ea f d			
EUR	201,013	7.8003	1,567,965
USD	44,772	6.5359	292,628
HKD	313,508	0.8359	262,061
GBP	21,750	8.7796	190,960
THB	357,810	0.2005	71,741
AUD	8,434	5.0916	42,942
JPY	300,288	0.0579	17,387
O e			100,178
			2,545,862
Acc f ece ab e			
USD	1,275,585	6.5359	8,337,096
EUR	93,764	7.8003	731,391
GBP	41,424	8.7796	363,688
JPY	1,192,742	0.0579	69,060
HKD	60,556	0.8359	50,619
AUD	9,503	5.0916	48,387
THB	14,429	0.2005	2,893
O e			209,435
			9,812,569
O e ece ab e			
USD	90,038	6.5359	588,479
EUR	16,532	7.8003	128,958
GBP	3,992	8.7796	35,052
HKD	23,227	0.8359	19,416
AUD	480	5.0916	2,443
THB	699	0.2005	140
O e			75,858
			850,346
L g e ece ab e			
USD	1,363,911	6.5359	8,914,386
GBP	11,448	8.7796	100,509
O e			11,095
			9,025,990

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

67. Monetary items denominated in foreign currency (Continued)

	31 December 2017		
	Functional currency (in thousands)	Exchange Rate	in RMB
S - e b g			
USD	1,614,319	6.5359	10,551,027
EUR	72,054	7.8003	562,042
O e			249,100
			11,362,169
Acc a ab e			
USD	148,781	6.5359	972,415
GBP	44,393	8.7796	389,756
EUR	47,716	7.8003	372,200
CHF	13,664	6.6779	91,248
HKD	57,729	0.8359	48,256
AUD	7,195	5.0916	36,632
THB	41,111	0.2005	8,243
JPY	21,960	0.0579	1,271
O e			112,185
			2,032,206
O e a ab e	1,271		
USD	122,789	6.5359	802,534
EUR	15,971	7.8003	124,577
GBP	13,231	8.7796	116,160
JPY	209,390	0.0579	12,124
HKD	9,074	0.8359	7,585
AUD	1,328	5.0916	6,762
THB	17,503j/T1 THB		

12,185

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V. CHANGES IN THE SCOPE OF CONSOLIDATION

1. Business combinations involving enterprises not under common control

(1) Business combinations involving enterprises not under common control

The acquiree	The acquisition date	Cost of acquisition	Acquired equity percentage	Acquisition method	Deterministic accordance of the acquisition date	Revenue of the acquiree from the acquisition date to the end of the year	Net loss of the acquiree from the acquisition date to the end of the year	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
SOE (2)	4 A g 2017	799,800	100%	B ca	Re ga a a a ed b ed ee ga da ed b C ee c		13,001	(2,539)	44,450
Z e g L g c (3)	30 e 1 Tf3.611 -65.838 0 Td(B ca)T09e450B ca								

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V. CHANGES IN THE SCOPE OF CONSOLIDATION (CONTINUED)

1. Business combinations involving enterprises not under common control (Continued)

(2) Nantong CIMC Sinopacific Offshore & Engineering Co., Ltd.

O 4 A g 2017, a ed b e PRC c , E c, a b da f e CIMC ae ed 100% f e ed a e SOE, c c a e gaged ff e , a a d age f efed ga , ff e c a e, de d e, ca g e a d a fac g f e g - e e e , f a ca c de a f RMB799, 800,000.

(a) Details of SOE of the costs of combination and profit or loss recognized are as follows

Costs of combination	
Ca	799,800
Le : fa a e f de fab e e a e b a ed	(868,501)
Ga f ba ga c a e	(68,701)

T e G be e e a e ab e- e ed c da ed ea g a d e e fac a af e SOE e ed ba c ceed g, e c a d e a age ed a de e de a a e, a e e ea ed a e f a e de ea f ba c da f SOE, a d de e ed e f deb da a d e ae c de a a abe b e G . H e e, e G ' a e e f e fa a e f de fab e a e f SOE e ae da e ba ed e a f a a d c a d e a .T e a d ea a fa e de ea f ba c da g ea ed ce e a ea d be e a e a ea e ed de ea f a a d c a d e a .

V. CHANGES IN THE SCOPE OF CONSOLIDATION (CONTINUED)

1. Business combinations involving enterprises not under common control (Continued)

(2) Nantong CIMC Sinopacific Offshore & Engineering Co., Ltd. (Continued)

(b) The assets and liabilities of Acquirer at the acquisition date are as follows:

	Acquisition date Fair value	Acquisition date Carrying amount	31 December 2016 Carrying amount
Cash at bank and on hand	249,792	249,792	92,204
Accounts receivable ()	288,884	288,884	235,749
Other receivables ()	764,090	764,090	592,674
Inventories	330,700	310,077	409,476
Fixed assets	415,890	299,130	395,726
Construction in progress	72,900	42,515	83,553
Intangible assets	117,000	72,884	105,313
Short-term borrowings			(1,279,755)
Accounts payable			

V. CHANGES IN THE SCOPE OF CONSOLIDATION (CONTINUED)

1. Business combinations involving enterprises not under common control (Continued)

(3) Zhengzhou Logistics

I e 2017, k a CIMC A a c g ce e C .,Ld, a b da f e G , ae ed 100% f ed a e Z e g L g c , c e gaged e a e , de g a d ec ca e ce f de g c a a e a d g - eed g e . Acc d g e a e a d , c a e ag ee e , e e ge c c de:

( ) Ca f RMB5,000,000;

( ) 8.03% e f k a CIMC A a c g ce e C .,L d,. T e fa a e f 8.03% e e a RMB12,000,000; a d

( ) C ge c de a , e g e f RMB3,000,000 a d 3% f a e f Z e g L g c e e ee ea .

Af e e a ac a c e ed, Z e g L g c beca e a 54.7% ed b da f e G .

(b) Details of the costs of combination and goodwill recognized are as follows:

Costs of combination	
Ca	5,000
8.03% e e k a CIMC A a c g ce e C .,L d	12,000
Ne a e f c ge c de a (c)	2,610
Le : fa a e f de fabe e a e b a ed	(5,966)
G d	13,644

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V. CHANGES IN THE SCOPE OF CONSOLIDATION (CONTINUED)

1. Business combinations involving enterprises not under common control (Continued)

(3) Zhengzhou Logistics (Continued)

(b) The assets and liabilities of Acquired party at the acquisition date are as follows:

	Acquisition date Fair value	Acquisition date Carrying amount	31 December 2016 Carrying amount
Cash at bank and on hand	514	514	58
Accounts receivable	311	311	736
Prepayments	91	91	581
Other receivables	42	42	773
Inventories	7,601	7,006	5,893
Other current assets			37
Fixed assets	192	79	109
Intangible assets	6,880	2,732	5,374
Deferred tax assets	751	751	
Accounts payable	(1,301)	(1,301)	(1,328)
Advances from customers	(2,395)	(2,395)	(2,853)
Other payables	(5,254)	(5,254)	(5,962)
Employee benefits payable	(141)	(141)	
Taxes payable	(630)	(630)	(7)
Deferred tax liabilities	(695)		
Net assets	5,966	1805	3,411

(c) Contingent consideration

According to the agreement entered into by Zhengzhou Logistics and the shareholders of Zhengzhou Logistics, if the net profit of Zhengzhou Logistics for the year 2016 is no less than RMB3,000,000, the agreement entered into by the Group and the shareholders of Zhengzhou Logistics shall be deemed to be RMB3,000,000. As of December 31, 2017, the agreement entered into by the Group and the shareholders of Zhengzhou Logistics was terminated and the contingent consideration of RMB2,610,000 and accrued interest was recognized in capital reserve.

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V. CHANGES IN THE SCOPE OF CONSOLIDATION (CONTINUED)

2. Disposal of subsidiaries

(a) The relevant information for the disposal of major subsidiaries during the year is summarized as follows:

Name of the subsidiary	The disposal price	The equity percentage disposed	Disposal method	The disposal date	Deterministic accordance of the disposal date	The difference between the disposal price and the share of the net assets if the disposed subsidiary in the consolidated financial statements consolidated financial statements	The amount of other comprehensive income related to the equity investment of the Company transferred to the investment gains and losses Company transferred to the investment gains and losses
S e e CIMC eec c g c ec g c ., LTD (CIMC E-c e ce.)	633,715	78.236%	Se g	30 Oc be 2017	O 30 Oc be 2017, e a fe ag ee e a ed b e ge e a ee g f a e de ; e c a e a ead ad 80% f e c a e ce, a a ed ed ec a d ge e a age, a d a ac a		

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V. CHANGES IN THE SCOPE OF CONSOLIDATION (CONTINUED)

2. Disposal of subsidiaries (Continued)

(b) The disposal of gain and loss information is as follows:

(i) CIMC E-commerce.

T ed a ga a ecad aeda f :

D a ce	633,715
Le : e a e f e e a e f Ya g a e ce c da ed f a ca a e e	150,127
O e c e e e c e a fe ed c e f a d e	
I e e ga f d a	483,588

(ii) Highfield

T ed a ga a ecad aeda f :

D a ce	17,418
Le : e a e f e e a e f Hg fe d c da ed f a ca a e e	42,198
O e c e e e c e a fe ed c e f a d e	
I e e ga f d a	(24,780)

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VI. EQUITY IN OTHER ENTITIES

1. Equity in subsidiaries

A b da e f eG e e ab ed , ac ed , g c b a de c c , .
T e ac f b da e , g c b a de c c , .

A a 31 Dece be 2017, e be f c a e c ded e c e f c da added 620. E ce f , e , a b da e ed a be , e be f e b da e ed b eG a 351, ad- ca a a g 745,236,291.O e b da e a c ded e e gaged a fac , g , e ce , , c a e ea e a cae f e a a d e ad- ca a a be 20 , USD3 .O e b da e a c ded e e d g c a e e a gac e eg e ed H gK g B V g l ad , e e ea c , e .

(1) Subsidiaries obtained through establishment or business combination

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

(i) Domestic subsidiaries (Continued)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
6	Da a CIMC C a e C ., L d. (DLCIMC)	B e e	Da a , La g	Da a , La g	Ma fac , e a d ae fc a e , a ee a ec ca ad , ; c a e c. g e	USD39,956,400	18.50%	81.50%
7	N gb CIMC L g c E e C ., L d. (NBCIMC)	B e e	N gb Z e a g	N gb Z e a g	Ma fac , e a d ae f c a e , a d , e a ed ec gca c ac ; c a e , age	USD15,000,000		100.00%
8	Taca g CIMC C a e C ., L d. (TCCIMC)	B e e	Taca g Ja g	Taca g Ja g	Ma fac , e a d , e a , f c a e	USD31,000,000		100.00%
9	Ya g R ag L g c E e C ., L d. (YZRYL)	B e e	Ya g Ja g	Ya g Ja g	Ma fac , e , e a , a d ae fc a e	USD20,000,000		100.00%
10	S a g a CIMC Ya g a L g c E e C ., L d. (SHYSLE)	B e e	S a g a	S a g a	Ma fac , e a d ae f c a e , a e a , ee a ec ca ad ,	USD29,480,000		100.00%
11	S a g a CIMC Reefe C a e C ., L d. (SCRC)	B e e	S a g a	S a g a	Ma fac , e a d ae f , ef ge a a d ea , e e , a de ce f , eefe c a e , , ef ge a , ca , a d Hea ; P , e e , a ca	USD31,000,000	72.00%	20.00%
12	Na g CIMC S eca Ta , a E e Ma fac , e C ., L d. (NTCIMCS)	B e e	Na g Ja g	Na g Ja g	Ma fac , e , ae a d , e a , f , a , g , a . a e a , a , eca , ga d , a , g e a d a ,	USD10,000,000		71.00%

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

(i) Domestic subsidiaries (Continued)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
13	X CIMC S eca Ta a E e C., Ld. (XHCIMCS)	B e e	Ja g e Da gd g	Ja g e Da gd g	Ma fac ead ae f a c ae e- f edc a e dcad eea c e dcad eea c e ad a eace e ce	USD65,498,958		100.00%
14	Na g CIMC Ta E e C., Ld (NTCIMCT)	B e e	Na g Ja g	Na g Ja g	Ma fac ead ae f a c ae e- f edc a e dcad eea c e dcad eea c e ad a eace e ce	USD35,000,000		70.57%
15	Na g CIMC La ge- ed Ta C., Ld. (Na g CIMC)	B e e	Na g Ja g	Na g Ja g	De g dcad e ea ad ea ed c e de a e ge e a c ac g ec a g.	USD47,700,000		70.57%
16	S e e CIMC eca ca C., Ld. (CIMCSV)	B e e	S e e Da gd g	S e e Da gd g	De e dc ad ae f a eca- e e ce a ea ea c e ad a	RMB200,000,000		63.33%
17	Q gda CIMC S eca Ve ce C., Ld. (QDSV)	B e e	Q gda S ad g	Q gda S ad g	De e dc ad ae f a eca- e e ce ef g a e ea ea ea c e ad a	RMB62,880,000	44.34%	35.25%

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

(i) Domestic subsidiaries (Continued)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
18	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	RMB3,000,000		100.00%
19	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	RMB90,204,100		63.33%
20	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	RMB30,000,000	12.00%	86.76%
21	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	RMB60,000,000		63.33%
22	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	RMB100,000,000		61.50%
23	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	RMB50,000,000		47.50%
24	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	RMB25,000,000		63.33%

For the year ended 31 December 2017
(All amounts in RMB'000 unless otherwise stated)
(Except for percentages)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
25	Xuzhou CIMC Special Vehicle Manufacture CO., LTD (XHCM)	Subsidiary	Jiangsu Province	Jiangsu Province	Production, development, sales and after-sales service of special vehicles and accessories	RMB129,000,000		63.33%
26	Qingdao CIMC Energy Equipment Co., Ltd. (QDHB)	Subsidiary	Qingdao City	Qingdao City	Development, manufacture, assembly, garbage vehicle and accessories sales and after-sales service	RMB137,930,000		63.33%
27	Sagia CIMC Special Vehicle Co., Ltd. (SHCIMCV)	Subsidiary	Sagia	Sagia	Development and production of liquid and gas transportation equipment	RMB10,000,000		63.33%
28	CIMC Financial Leasing Co., Ltd. (CIMC Financial Leasing)	Subsidiary	Shenzhen City	Shenzhen City	Financial leasing; purchase and sale of leased assets; residual value disposal of leased assets; acceptance of guarantees	USD70,000,000	75.00%	25.00%
29	Qingdao Refrigerated Truck Equipment Co., Ltd. (QDRV)	Subsidiary	Qingdao City	Qingdao City	Manufacture and sales of refrigerated vehicles, equipment and accessories	USD29,405,000		76.44%
30	Nanjing CIMC Energy Equipment Co., Ltd. (Nanjing Energy Equipment)	Subsidiary	Nanjing City	Nanjing City	Manufacture and development of storage and transportation equipment, pressure vessels, environmental protection equipment and accessories	RMB69,945,600		70.57%

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
37	CIMC S e fa De e e C ., Ld. (CIMC SD)	B e e	S a g a	S a g a	l e e , c c ad ea f , fa c e ; ea e ae de e e ad ea	RMB204,123,000	98.53%	1.47%
38	CIMC Ve ce (X ag) C ., Ld. (SJ4S)	B e e	U , X ag	U , X ag	P dc ad ae f ec a ca e ea e a , ee a ec ca de e e	RMB80,000,000		63.33%
39	CIMC Ve ce (G) C ., Ld. (HI)	B e e	Se e da gd g	Se e da gd g	De e e , , dc ad ae f a g ec ad g e f , a ce eca e ce ead , a e , e e	USD212,225,100	44.33%	19.00%
40	Q gda CIMC S eca Reefe , C ., Ld. (QDCSR)	B e e	Q gda Sad g	Q gda Sad g	Ma fac e f a c a e , e f ed c a e , dc ad , ee a c e ad a ,	USD39,184,100		100.00%
41	Ta CIMC L g c E e C ., Ld. (TJCIMCLE)	B e e	Ta	Ta	De g , a fac e , ae , a e a ce A d , ee a ec ca ad , f , g c e ad , ee a c e ad a ,	USD10,000,000		83.50%
42	Da a CIMC L g c E e C ., Ld. (DLL)	B e e	Da a La g	Da a La g	De g , a fac e , ae , a e a ce ad , ee a ec ca ad , f , e a a , ade , e , e , ade , g c e ad , e , e e	USD20,120,000		100.00%

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For the year ended 31 December 2017
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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
43	Chongqing CIMC Logistics Equipment Co., Ltd. (CQLE)	Subsidiary	Chongqing	Chongqing	Design, manufacture, assembly, sales, technical consultation, logistics and warehousing	USD8,000,000	75.00%	25.00%
44	Dalian CIMC Healthy Logistics Equipment Co., Ltd. (DLZH)	Subsidiary	Dalian	Dalian	Investment, trade; design, manufacture, assembly, technical consultation, logistics and warehousing;	USD45,170,000	62.70%	37.30%
45	Shenzhen CIMC Intelligent Technology Co., Ltd. (CIMC Tech)	Subsidiary	Shenzhen	Shenzhen	Design, development, sales, technical consultation and warehousing	RMB70,294,188	59.46%	8.54%
46	CIMC Taicang Refrigerated Equipment Co., Ltd. (TCCRC)	Subsidiary	Taicang, Jiangsu	Taicang, Jiangsu	Research and development, manufacture, sales and technical consultation	RMB450,000,000		100.00%
47	Hainan CIMC Building Development	Subsidiary	Sanya, Hainan	Sanya, Hainan	Manufacture, assembly and sales	RMB28,000,000		85.60%
48	CIMC Jingyang (Qingdao) Vehicle Manufacture Co., Ltd (QHDV)	Subsidiary	Qingdao Hebei	Qingdao Hebei	Semi-trailer and vehicle	RMB70,000,000		47.50%
49	Sea to Sea CIMC Logistics Co., LTD (Sea to Sea)	Subsidiary	Shenzhen	Shenzhen	Logistics	RMB80,000,000		100.00%

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Appendix

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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
56	Shenzhen CIMC Investment & Development Co., Ltd. (CIMC Center)	Wholly-owned	Shenzhen, Guangdong	Shenzhen, Guangdong	Real estate development	RMB339,512,100		61.50%
57	Yantai CIMC Guanghua Real Estate Development Co., Ltd (CIMC Haiyang)	Wholly-owned	Yantai, Jiangsu	Yantai, Jiangsu	Real Estate Development, sales and leasing	RMB25,000,000		76.90%
58	Ningbo Rongcheng Co., Ltd (Ningbo Rongcheng)	Wholly-owned	Ningbo, Zhejiang	Ningbo, Zhejiang	Construction, development, sales and leasing	RMB5,000,000		60.00%
59	Chengdu CIMC Investment Property Development Co., Ltd. (Chengdu Investment Property)	Wholly-owned	Chengdu, Sichuan	Chengdu, Sichuan	Commercial management, property development, sales and leasing; sales of construction materials	RMB60,000,000		63.33%
60	CIMC Facade Co. (Facade Co.)	Wholly-owned	Shenzhen, Guangdong	Shenzhen, Guangdong	Providing facade design, fabrication and installation services	RMB500,000,000	100.00%	
61	Shenzhen CIMC Logistics Holdings Co. (SZ Logistics Holdings)	Wholly-owned	Shenzhen, Guangdong	Shenzhen, Guangdong	Warehousing; sales of construction materials	RMB75,000,000	100.00%	
62	Zhejiang CIMC Haichuang Venture Trading Co., Ltd. (HJQM)	Wholly-owned	Zhejiang, Hangzhou	Zhejiang, Hangzhou	Sales of construction materials, sales and leasing of real estate	RMB10,000,000		63.33%
63	Zhejiang CIMC Haichuang Capital Co., Ltd. (HJCAST)	Wholly-owned	Zhejiang, Hangzhou	Zhejiang, Hangzhou	Capital investment, investment management	RMB297,762,000		63.33%

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Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
						Direct	

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Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and

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	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
88	Nantong CIMC Automotive Co., Ltd. (Nantong CIMC)	Subsidiary	Nantong	Nantong	Automotive, trailer and parts manufacturing	RMB80,000,000		50.31%
89	CIMC Tianda (Langfang) Investment Development Co., Ltd.	Subsidiary	Langfang	Langfang	Technology development, real estate development and operation	RMB20,000,000		32.82%
90	Aberg Zeggel GmbH (Berg) Sales Co., Ltd. (Zeggel)	Subsidiary	Berg	Berg	Financial reinsurance and insurance agency services	EUR1,500,000		60.00%
91	Shenzhen CIMC Technology Co., Ltd. (Shenzhen CIMC Technology)	Subsidiary	Shenzhen	Shenzhen	Academic			

Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholdinl -1490.189 -1.333 Tdp/Perntage61CIM Busine

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Name	Category	Registration Place	Main Premises	Business scrdt009 .55

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combinmtion (Continued)

(i) Domestic subsidiaries (Continued)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
110	Z a g aga g CIMC 3 Sc C, ge c e Mac e, C ., Ld.(3 Sc C, ge c)	B e e	Z a g aga g	Z a g aga g	Ma fac, e, ce a d ae fo, ge c e e, e, e c e ca e e a, d c a d , ee a a, ea ed ad , e ce	RMB30,000,000		63.51%
111	Ta H g Be, g Lea g C . Ld.(Ta H g Be, g)	B e e	Ta	Ta	F Sca ea g	RMB170,000,000		51.00%
112	CIMC M da Ta , De e e C ., Ld. (CIMC M da Ta , De e e)	B e e	S e e	S e e	M da g c e ce	RMB100,000,000		80.00%
113	S e e CIMC X a Tec g B e e C ., Ld.(3 e e CIMC X a Tec g)		S e e	S e e	S f a e, f, a ec g e ce	RMB100,000,000		81.30%
114	3 e e CIMC T gc a g S Ca C ., Ld. (3 e e CIMC T gc a g S Ca)	B e e	S e e	S e e	I e e d g	RMB200,000,000		73.39%
115	CIMC Off eH d g C ., Ld (CIMC Off eH d g)	B e e	S e e	S e e	I e e d g	RMB2,335,000,000	100.00%	
116	S e e CIMC Ta da J ae, a ca Ref, ge a C ., Ld (CIMC Ta da J)	B e e	S e e	S e e	P, d c fa a , ef, ge a e e , . ec g , a d e , b e	RMB50,000,000		38.29%

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	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
117	Ta Y g a g Mac e E e Lea g C .L d. (Ta Y g a g Mac e E e)	B e e	Ta C a	Ta C a	F a ca e ce	RMB6,500,000,000		15.00%
118	G a gd g CIMC B d g C c C .Ld (G a gd g CIMC B d g C c)	B e e	G a gd g	G a gd g	M d e	RMB50,000,000		100.00%
119	CIMC Ka g Lg c De e e C .Ld. (CIMC Ka g Lg c De e e)	B e e	Na g Ja g	Na g Ja g	Lg c e ce	RMB150,000,000		51.00%
120	Ja g Ka g S g C .Ld. (Ja g Ka g)	B e e	Na g	Na g	Lg c e ce	RMB20,000,000		51.00%
121	CIMC E cE g E e (S)C .,Ld.(CIMC E c E g E e (S))	B e e	Ja g	Ja g	E g e e de g ,			

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

(i) Domestic subsidiaries (Continued)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
128	CIMC Ka g (S aa) L g c De e e C .L d. (Ka g (S aa))	B e e	X'a	X'a	L g c e, ce	RMB20,000,000		30.60%
129	CIMC Z e ag (S a g a) L g c C ., L d. (Z e ag (S a g a))	B e e	S a g a	S a g a	L g c e, ce	RMB30,000,000		100.00%
130	CIMC Ka g Ja g ! I e, a a M da T, a , C ., L d (Ka g Ja g ! I e, a a M da T, a ,)	B e e	Na g	Na g	L g c e, ce	RMB20,000,000		33.15%
131	CIMC D g a (S a g a) S g C ., L d. (CIMC D g a)	B e e	S a g a	S a g a	D e c ae, a , , ad f eg , a , , e a a ca g , a , age c , ca g , a , age c e, a a g age c , d e c g age c	RMB20,000,000		30.60%
132	A e ! I e, e f T g Tec g (S !) C ., L d. (A e !)	B e e	S ! , Ja g !	S ! , Ja g !	Tee c ! ca B e e, a ; De e e fc ! e, ad a ead f a e, De e e fc ! e, e ec g , c ! e, e e ega , b e e f a e ec g	RMB30,000,000		70.75%

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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
143	C a Ra H d g L ed (C a Ra)	B e e	H gK g, C a	H gK g, C a	I e e d g	HKD10,000		70.57%
144	C a Bea E e , e L ed (C a Bea)	B e e	B V g I a d	B V g I a d	I e e d g	USD50,000		63.33%
145	S a V H d g L ed (S a V)	B e e	H gK g, C a	H gK g, C a	I e e d g	HKD1		100.00%
146	S dW e H d g L ed (S dW e)	B e e	B V g I a d	B V g I a d	I e e d g	USD50,000		70.57%
147	G Ra d L ed (G Ra d)	B e e	H gK g, C a	H gK g, C a	I e e d g	HKD1		100.00%
148	P e ead H d g L d. (P e ead)	B e e	B V g I a d	B V g I a d	I e e d g	USD10		100.00%
149	C e a e Vea H d g U.A. (C e a e Vea H d g U.A.)	B e e	H a d	H a d	I e e d g	EUR75,000,000		70.57%
150	Vea H d g B.V. (Vea H d g B.V.)	B e e	H a d	H a d	I e e d g	EUR90,000		70.57%
151	CIMC F a ca Lea g (HK) C L d. (F a ca Lea g (HK))	B e e	H gK g, C a	H gK g, C a	F a ca Lea g	HKD500,000		100.00%
152	CIMC Off e H d g L ed (CIMC Off e)	B e e	H gK g, C a	H gK g, C a	I e e d g	HKD2,234,855,000 A d RMB1,000,000,000		85.00%
153	C e a e CIMC U.A. (COOP)	B e e	H a d	H a d	I e e d g	EUR25,500,000	99.00%	1.00%

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Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

(ii) Overseas subsidiaries (Continued)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
164	CIMC Modern Bridge Service (Australia) Pty Ltd (MBS AU)	Established	Australia	Australia	Manufacturing	AUD500,000		100.00%
165	EVERISE CAPITAL PTY LTD (EVERISE)	Established	Australia	Australia	Investment holding	AUD10		100.00%
166	GLOBAL PLUS PTY LTD (GLOBAL)	Established	Australia	Australia	Investment holding	AUD1		100.00%
167	HARVEST AVENUE PTY LTD (HARVEST)	Established	Australia	Australia	Investment holding	AUD1		100.00%
168	CIMC Intelligence (HongKong) Co., Ltd. (CIMC Intelligence (HongKong))	Established	Hong Kong	Hong Kong	R&D Technology Technical Service Provider of TOS	HKD10,000		68.00%
169	Acquire Enjoy Limited (Acquire)	Established	Hong Kong	Hong Kong	Investment holding	HKD1		100.00%
170	Gain Easy Limited (Gain)	Established	Hong Kong	Hong Kong	Investment holding	HKD1		100.00%
171	Innovate Advance Limited (Innovate)	Established	Hong Kong	Hong Kong	Investment holding	HKD1		100.00%

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(All amounts are in RMB'000 unless otherwise stated)
(Except for the amounts of Reference Only)

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(2) Transactions where the ultimate controlling party has control over the combining parties

(3) Subsidiaries acquired through combinations under non-common control

(i) Domestic subsidiaries

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(E g T, a a f, Refe, e ce O)

	Name	Category	Registration Place	Main Premises	Business Scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
13	D g a C a e, T, a , a Se, ce C ., L d. (DHCTS)	B e e	S a g a	S a g a	C a e, ca, g de, a g, , a g; ca, a f, ca, g ; a e a d c dec a, a ; c a e, a e a ce a d c g; fc e	USD4,500,000		70.00%
14	Ya g T g ee Reefe, C a e, C ., L d. (TLC)	B e e	Ya g , Ja g	Ya g , Ja g	Ma fac , ea d ae f, eefe, c a e,			

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For the year ended 31 December 2017
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(Explanation of Reference Only)

Name	Category	Registration Place	Main Premises	Business Scope	Share capital issued and information of bonds	Shareholding percentage	
						Direct	Indirect

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
31	Ze aLg c G C., Ld.(Ze aG)	B e e	Ta	Ta	C a e a dca g D , f eg ad ea e	USD51,956,000		75.00%
32	Xa e H g Be gLea g C.Ld.(H g Be g)	B e e	Xa e, a	Xa e, a	F ac a ea g ad ea g e	USD21,300,000		51.00%
33	Ta Ze aHa g Lg c C.Ld.(Ze a Ha g)	B e e	Ta	Ta	C c ad e a f a e g fac e, c a e de	RMB145,000,000		45.00%
34	Ta Ze al e a a Lg c C.Ld.(Ze a IL)	B e e	Ta	Ta	N e ec a e, f eg age	RMB133,970,000		75.00%
35	Ta Ze ad B e C.Ld.(Ta CB)	B e e	Ta	Ta	C ce a ce ad ea edc g e ce	RMB12,516,400		75.00%
36	Ze al e a a S g Age c (Q gda)C.,Ld. (Q gda S g Age c)	B e e	Q gda S ad g	Q gda S ad g	I e a a g age c e	RMB10,000,000		75.00%
37	Ta Ze al e a a S g Age c C.Ld. (Ta S g Age c)	B e e	Ta	Ta	I e a a g age c e	RMB10,000,000		75.00%
38	Saga Ze al e a a S g Age ce Ld (Saga S g Age ce)	B e e	Saga	Saga	I e a a g age c e	RMB10,000,000		75.00%

For the year ended 31 December 2017
(All tabular data in RMB'000 except for per share data)
(Blank if Not Applicable)

	Name	Category	Registration Place	Main Premises	Business Scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
39	Zhejiang Dagang (Tianjin) Petrochemical Co., Ltd. (Zhejiang Dagang (Tianjin))	Subsidiary	Tianjin	Tianjin	Construction of refining and chemical projects	RMB50,000,000		75.00%
40	Tianjin Zhejiang Petrochemical Trade Holding Co., Ltd. Tianjin Zhejiang Trade Co., Ltd.	Subsidiary	Tianjin	Tianjin	Cargo agency service	RMB5,628,8T 0.945 -1.5 Td[(f)140825 T*(Co., Ltd.)T 13.223.223.223.223.223.22 TBgae eSe ce(SZ e Z)]T 0.945 -1.5 Td[(C)70(..)37(,L d.)37((SZ e Z		

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	Name	Category	Registration Place	Main Premises	Business Scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
46	W X g Rea E ae C., Ld (W X g Rea E ae)	B e e	W , A	W , A	Sae a dage c f a d fea c eca e e ce, e g ee g ac e,	RMB25,000,000		45.69%
47	R J L g c (W) C., Ld (WHRJL)	B e e	W , A	W , A	Sae a dage c f a d fea c eca e e ce, e g ee g ac e,	RMB20,492,100		83.12%
48	C&C c C., Ld (C&C c)	B e e	W , A	W , A	Sae a dage c f a d fea c eca e e ce, e g ee g ac e,	RMB1,570,000,000	70.06%	
49	A Fe Ca (G) c., LTD (A Fe Ca (G))	B e e	X a c e g, A	X a c e g, A	Ma fac , ea d ae f ag c , a e ce ag c , a ac e, a d ee e a acce , e	RMB158,000,000		70.06%
50	La g Ha e e g Ga W , A .,	B e e						

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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
52	S W , (Be g) I e a a L g c C ., L d (S W , Be g L g c)	B e e	Be g	Be g	I e a a F eg a , age ge e a ca g a	RMB30,000,000		50.00%
53	Q gda LdaC e ca C ., Ld. (Q gda LdaC e ca)	B e e	S ad g	S ad g	Ma fac ea d ae f eaa , dc . P dc ad ae; f bbe a , a c a ad ae b e c a g	RMB30,000,000		59.47%
54	Z eg L g c A ac S e C ., Ld. (Z eg L g c)	B e e	Z eg , He a	Z eg , He a	R&D ad a fac e f e	RMB20,000,000		54.70%
55	Q gda LdaNe R bbe & Pa cP dc C ., Ld. (Q gda LdaNe R bbe & Pa cP dc)	B e e	S ad g	S ad g	Ma fac ea d ae f bbe a , a c a , ea c e, R&D fc a e a	RMB1,000,000		59.47%
56	S acfc Off e & E g ee g C ., LTD. (SOE)	B e e	Na g	Na g	Ta a ad age f ef ed ga ff e a dga d , , a fac g f g e d e c a ff ec a e. a e d e, ad ca g e	RMB1,023,966,800		70.57%
57	Be g CIMC Ta e g Tec g C ., LTD (Be g CIMC Ta e g Tec g)	B e e	Be g	Be g	I eg a ed b d g	RMB20,000,000		50.00%

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(3) Subsidiaries acquired through combinations under non-common control (Continued)

(ii) Overseas subsidiaries

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
58	CIMC R gS c. A ,a a P L d. (CIMC R gS c. A ,a a)	B e e	A ,a a	A ,a a	Sae f e ce	AUD50,000		74.33%
59	4, P L d.(H0.389 L -1 R 54 c13.2280 Td(B A ,Ld.(,C0974.259 Td0 0 0(/8 e)18T c e -1.5 Td[(P L d.(I a9 3.37616 14 L d.(a -1.5 Td[(P L d.(I a9 3.37616 14 L d.(I e							

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
69	H T e B.V.	e	H a d	H a d	P d c a d ae f a dc e a d a	EUR45,378.02		100.00%
70	g Se ce B.V.	e	H a d	H a d	A e b a d ea f ad a ce a da . e	EUR150,000		70.57%
71	LAG T a e N.V.	e	Be g	Be g	Ma fac g a e	EUR3,245,000		63.33%
72	Ze a H e a N.V.	e	Be g	Be g	P d c a . e	EUR991,600		70.57%
73	g N.V. B ee	e	Be g	Be g	P d c f ad a ce	EUR248,000		63.33%
74	Ze a H e a A/S	e	De a	De a	P d c a . e	DKK1,000,000		70.57%
75	D ec C a LLC (DCEC)	e	USA	USA	Ma fac g a d ae f eca e ce	USD10,000,000		63.33%
76	CIMC TGE Ga I e e SA (TGE SA)	e	e g	e g	I e e d g	EUR50,000		60.00%
77	TGE Ga E g ee g G bH (TGE Ga E g ee g G bH)	e	Ge a	Ge a	P l de EP+CS (De g , P c a e a dC c S e) , e ec ca , ec e ce LNG,LPG a d age a dd a f e	EUR1,000,000		60.00%

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
78	CIMC Raffe Off , e (S ga , e) L ed (Off , e (S ga , e))	B e e	S ga , e	S ga , e	P , d c f , a ! f , ff , e a d ga , d g ac ! d g af , , e ! b e, bed g P af , , FPSO , FSO	SGD594,416,915 a d USD303,122,013		85.00%
79	CIMC Raffe I , e e L ed	B e e	H gK g C a	H gK g C a	I , e e d g	HKD2		85.00%
80	CIMC Raffe Lea g Pe. L d.	B e e	S ga , e	S ga , e	Lea g f a, e	SGD2		85.00%
81	Ca a D, e, Pe. L d.	B e e	S ga , e	S ga , e	Lea g f a, e	USD30,000,000		85.00%
82	Tec d e l e, a a L ed (Tec d e)	B e e	U ed K gd	U ed K gd	Re ea c a d de, e e fe, g e ! e	GBP100		60.00%
83	Gad dae AB.	B e e	S ede	S ede	I , e e d g	SEK1,000,000		85.00%
84	Pe, fec Vc , I , e e L ed (Pe, fec Vc ,)	B e e	H gK g C a	H gK g C a	I , e e d g	USD1		100.00%
85	Ze a H , , e. a G bH (Ze a H , , e. a G bH)	B e e	Ge, a	Ge, a	De g , , d c a d ae f bee, fe, e a ac e	EUR16,000,000		70.57%
86	Abe, Zege, G bH (Zege,)	B e e	Ge, a	Ge, a	De g a f Ma, e e g ee, g	EUR13,543,000		60.00%

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	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
87	Base Tech AB (Base)	Subsidiary	Sweden	Sweden	Design of machinery equipment	SEK1,000,000		100.00%
88	CIMC MBS LIMITED (Vehicle Services)	Subsidiary	United Kingdom	United Kingdom	Machinery	GBP3,884,303		100.00%
89	Zhaoguang (Hong Kong) Co., Ltd. (Zhaoguang Hong Kong)	Subsidiary	Hong Kong, China	Hong Kong, China	Logistics	USD6,600,000		75.00%
90	CIMC Australia Radiator Energy Pty Ltd (Australia Radiator Energy Pty)	Subsidiary	Australia	Australia	Investment holding	AUD8,300,000		63.33%
91	Bridge Logistics Holdings Limited (Bridge Logistics Holdings)	Subsidiary	Hong Kong, China	Hong Kong, China	Investment holding	HKD10,000,000		70.00%
92	Bridge Service Limited (Hong Kong Bridge Service)	Subsidiary	Hong Kong, China	Hong Kong, China	Cargo agency, freight forwarding	HKD5,000,000		70.00%

75.00%

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(3) Subsidiaries acquired through combinations under non-common control (Continued)

(ii) Overseas subsidiaries (Continued)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
96	Ve d S e Ld (VSL)	B e e	U ed K gd	U ed K gd	M d e	GBP1		100.00%
97	B gg G L ed	B e e	U ed K gd	U ed K gd	Bee, d a , a ace ca, ea , b f e a d e d , e e g ee g de g a d e e e	GBP3,385,000		70.57%
98	Re a Ma fac g L ed	B e e	U ed K gd	U ed K gd	P d c e a e	GBP692,041		63.33%

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(Explanation of Reference Only)

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(4) Subsidiaries with significant minority interests

	Minority interests	Net Profit attribute to minority interests in 2017	Dividends distributed to minority interests in 2017	Grand total Minority Interests on 31 December 2017
Entity	29.43%	154,391	2,022	1,825,025
CIMC Offshore	15.00%	(402)		917,757
CIMC Cascade	38.50%	88,873		944,003

Condensed financial information of subsidiaries mentioned above before inter-company elimination:

	As at 31 December 2017					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Entity	10,305,316	3,861,903	14,167,219	7,668,853	637,388	8,306,241
CIMC Offshore	986,501	4,190,144	5,176,645	62,290	–	62,290
CIMC Cascade	4,624,339	344,794	4,969,133	2,361,595	268,963	2,630,558

	As at 31 December 2016					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Entity	9,542,728	3,345,695	12,888,423	5,735,979	1,850,379	7,586,358
CIMC Offshore	9,322	4,484,063	4,493,385	71,171		7,586,358

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(5) Significant partial disposal of subsidiary equity in current year (not losing control)

T e g fca a ad a f b da e c e ea (gc).

(6) The acquisition of significant minority interests in the current year.

() A a 17 2017, eG ' b da CIMC C a c e g, d ced ae gc e C Ga de Rea E a e , g ca a c ea e a d a e e a . Acc d g e ag ee e C Ga de Rea E a e c ea e RMB926,322,000 f CIMC C a c e g, d a 25% e e f CIMC C a c e g f g e ag ee e . Afe e ca a c ea e a c e ed, eG ' a e d g e ce age f CIMC C a c e g a ed ced f 82% 61.5%.

T e d ffe e ce be ee e c de a a d e a e f e de fab e e a e f e b da a g RMB301,846,000, a ec ded ca a e e e.

() A a Dece be 7, 2016, Ad a ced Ma fac g ld l e e d (L ed Pa e) (Ad a ced Ma fac g ld l e e d) e ed a ca a c ea e ag ee e CIMC HK a d CIMC Off e, ec RMB984,258,000 CIMC Off e a e 15% e CIMC Off e. T e c ea e ca a a c e ed Dece be 2017. T eG ' ed e e f CIMC Off e f 100% 85%.

T e d ffe e ce be ee e c de a a d e a e f e de fab e e a e f e b da a g RMB698,253,000, a ec ded ca a e e e.

() A a Ma 5, 2017, T e a e de f e C a ' b da , M de L g c a d CIMC Ka g L g c De e e c ea ed ca a RMB150 a e a e e, a d a a ed e g a S a e d g e ce age c a ged. M a e de c ea ed e ca a CIMC Ka g L g c De e e b RMB34,300,000.

() A a Ma c 28, 2017, eC a a d e a e de S e e J l e e Ma age e C a e e ed a e a fe ag ee e a e a 3.82% a e C&C T c a c de a f RMB81,616,000. T eG ' a e d g e ce age c ea ed f 66.24% 70.06% af e e a e .

T e d ffe e ce be ee e c de a a d e a e f e de fab e e a e f e b da a g RMB78,103,000, c ed ced ca a e e e.

() A a 2017, T eG ' b da CIMC C a c e g a d S de e ed a e a fe ag ee e a e a 40% a e Ya g a g , f a c de a f RMB169,024,000. U e c e f ea e , CIMC C a c e g d a 100% a e Ya g a g , ea e a e de e e .

T e d ffe e ce be ee e c de a a d e a e f e de fab e e a e f e b da a g RMB13,766,000, a ec ded ca a e e e.

() A a 14, 2017, SZ l e e , a b da f eC a , e e ed a e a fe ag ee e

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

2. Equity in associates and joint ventures

(1) Basic information of major associates and joint ventures

	Main Premises

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

2. Equity in associates and joint ventures (Continued)

(3) Core financial information of major associates

	LiHua Energy		Shanghai Fengyang		TSC		Jiahua Shipping		China Fire Safety		Shouzhong Investment	
	31 December 2017	31 Dece be, 2016	31 December 2017	31 Dece be, 2016	31 December 2017	31 Dece be, 2016	31 December 2017	31 Dece be, 2016	31 December 2017	31 Dece be, 2016	31 December 2017	31 Dece be, 2016
Ca ba, ad ad	8,772	44,908	30,425	104,944	90,238	190,589	96,552	96,552	124,707	132,576	24,608	16,413
O e, d, e a e	940,834	833,315	819,426	462,820	2,630,219	2,739,011	46,822	46,822	661,697	468,249	291,230	176,743
Ta d, e a e	949,606	878,223	849,851	567,764	2,720,457	2,929,600	143,374	143,374	786,404	600,825	315,838	193,156
Ta -d, e a e	705,772	688,979	50,775	45,782	631,744	776,956	1,089,581	1,089,581	787,180	724,783	109,141	69,577
Ta A e	1,655,378	1,567,202	900,626	613,546	3,352,201	3,706,556	1,232,955	1,232,955	1,573,584	1,325,608	424,979	262,733
C, e ab e	679,996	702,131	623,129	354,154	1,957,621	1,949,175	152,448	152,448	331,117	241,436	11,583	1,010
N -C, e ab e	255,035	209,256	–		109,804	313,488	658,995	658,995	–		–	
Ta ab e	935,031	911,387	623,129	354,154	2,067,425	2,262,663	811,443	811,443	331,117	241,436	11,583	1,010

	LiHua Energy		Shanghai Fengyang		TSC		Jiahua Shipping		China Fire Safety		Shouzhong Investment	
	31 December 2017	31 Dece be, 2016	31 December 2017	31 Dece be, 2016	31 December 2017	31 Dece be, 2016	31 December 2017	31 Dece be, 2016	31 December 2017	31 Dece be, 2016	31 December 2017	31 Dece be, 2016
M, a e de, '	–		–		1,893	13,182	–		–		–	
Ta a, d abe ae de, f eC a	720,347	655,815	277,497	259,392	1,282,883	1,430,711	421,512	421,512	1,242,467	1,084,172	413,396	261,723
Ad e acc, d g fa, a e f e de fabea e adG d	–		1,085	1,085	155,764	155,764	–		533,410	533,410	–	
Ta a, d abe ae de, f ec a (ad ed)	720,347	655,815	278,582	260,477	1,438,647	1,586,475	421,512	421,512	1,775,877	1,617,582	413,396	261,723
S ae d g a	15.58%	15.58%	40.00%	40.00%	13.12%	13.42%	30.00%	30.00%	30.00%	30.00%	45.00%	45.00%
Ne a e, ca ae db ae d g a ()	112,230	102,176	111,433	104,191	193,066	212,905	126,454	126,454	532,763	485,275	186,028	117,775
Ca, ga f e ea cae	112,230	102,176	111,433	104,191	193,066	212,905	126,454	126,454	532,763	485,275	186,028	117,775
Fa, a e f, e a cae b c ffe	–		–		65,937	92,144	–		383,549	300,995	–	

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

2. Equity in associates and joint ventures (Continued)

(3) Core financial information of major associates (Continued)

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

2. Equity in associates and joint ventures (Continued)

(4) Summary of information of insignificant associates and joint ventures

	2017	2016
J e e :		
T a ca g a f e 31 Dece be 2017	246,402	229,293
S b- a a f ef g e ca d a ed e G ' e e :		
Ne f ()	19,624	16,828
O e c e e e c e()	–	
T a c e e e c e	19,624	16,828
A ca e :		
T a ca g a f e 31 Dece be 2017	611,209	512,941
S b- a a f ef g e ca d a ed e G ' e e :		
Ne P f ()	(29,235)	10,760
O e c e e e c e()	–	
T a c e e e c e	(29,235)	10,760

() T ea f e f ad e c e e e c e a e e fa a e f de fabe a e a d ab e ad e effec f e f acc g ce c de a .

(5) Excess deficit of associates and joint ventures

T e ea e ece defc fa ca e e e 2017.

VII. EQUITY OF THE STRUCTURED BODY NOT INCLUDED IN THE CONSOLIDATION RANGE OF THE CONSOLIDATED FINANCIAL STATEMENTS

T e e f e c ed b d c ded e c da a ge f e c da ed f a ca a e e .

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Information of other related parties

Company name	
SUMITOMO CORPORATION	M a e de f b da
S a Hea D A b e	M a e de f b da
O e I e a a	S b da f g fca a e de
FML	S b da f g fca a e de
Ga f	M a e de f b da
FCC	S b da f g fca a e de
A a T ad g C ., L d	M a e de f b da
O e a I e a a C a e (J) L ed	S b da f g fca a e de
FCS	S b da f g fca a e de
FCI	S b da f g fca a e de
Ea e I e a a C a e (G a g) L ed	S b da f g fca a e de

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions

T e f g a ac ea ed a e e ec d ced de a c e ca e ee a ag ee e .

(1) Purchase of goods and receiving of services

The Group

Na e	Na e f e a ac	2017 Amount	2016 A
Y&C E g e	P c a e f g d	557,315	301,945
S a Hea D A b e	P c a e f g d	236,412	101,317
N gg G a g e	P c a e f g d	149,041	67,117
Q gc e Ba b	P c a e f g d	136,819	42,536
X W d	P c a e f g d	126,447	65,225
Z e a g X g Ba b	P c a e f g d	105,467	
Se S a g a	P c a e f g d	66,700	76,521
SUMITOMO CORPORATION	P c a e f g d	14,797	13,670
TSC	P c a e f g d	7,113	53,877
A a T ad g C ., L d	P c a e f g d	6,313	19,117
O e ea ed a e	P c a e f g d	20,456	20,440
S b- a	P c a e f g d	1,426,880	761,765
O e ea ed a e	Rece g f e ce	26,151	7,369

The Company

F e e f ed ec e a d e a age e f e C a , ea e efe N e VIII.5(4).

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(2) Sales of goods and rendering of services

The Group

Na e	Na e f e a ac	2017 Amount	2016 A
S a Hea D A b e	P c a e fg d	733,497	247,240
OOS-I e a a B.V.	P c a e fg d	385,375	
FCI	P c a e fg d	372,760	
FCS	P c a e fg d	171,003	
SUMITOMO CORPORATION	P c a e fg d	108,475	159,688
Z e a g X g Ba b	P c a e fg d	78,943	
O e l e a a	P c a e fg d	74,953	42,518
FML	P c a e fg d	56,913	124,800
Ea e l e a a C a e (G a g)	P c a e fg d	46,354	8,866
N g a C a g g	P c a e fg d	44,589	8,645
FCC	P c a e fg d	40,179	22,700
O e a l e a a C a e (J) L ed	P c a e fg d	22,890	19,454
NYK Z e a	P c a e fg d	602	228
G a g S e L g c	P c a e fg d	–	8,359
O e eaed a e	P c a e fg d	45,455	18,911
S b- a	P c a e fg d	2,181,988	661,409
O e eaed a e	Re de g f e ce	31,365	31,404

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(3) Financing

The Group

Na e	A Sa gda e	E d gda e	Interest income earned/ interest expense recognized in 2017	N e
Financing received				
Ga f	51,329 19 Se e be 2008	Re a e da e f ed	1,040	L a f P a e de e a
	51,329			
Financing provided				
R Rea E a e	331,250 31 Dece be 2012	Re a e da e f ed	3,460	L a f P a e de e a
S a g a Fe g a g	34,204 25 Dece be 2007	Re a e da e f ed	–	L a f P a e de e a
S a g a X ba	12,408 20 Oc be 2017	20 Ja a 2018	108	L a f a e de e a
Na g Ne A a c	13,813 24 Ja a 2017 27 Feb a 2017 27 Dece be 2017	24 Ja a 2018 27 Feb a 2018 27 e 2018	918	L a f a e de e a
X a g W d d	4,075 20 e 2006	Re a e da e f ed	–	L a f a e de e a
	395,750			

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(4) Other related party transactions

(i) The Company adopted a share option scheme on 28 September 2010 (see Note IX). Details of the outstanding granted share options as at 31 December 2017 are as follows:

Name	Position	Number of granted share options (in'0000)
Mr. Bai	President, Executive Director	285
Mr. Fan	Vice Chairman	75
Mr. Yan	Vice Chairman	75
Mr. Ya	Vice Chairman	65
Mr. Xieb	Vice Chairman	100
Mr. Zhang Bao	Vice Chairman	75
Mr. Xiang	Vice Chairman	38
Mr. Zeng Ha	General Manager, Financial Manager and Secretary of the Board	29
Mr. [illegible]	Secretary of the Board	75
Total		817

Share options granted to employees are exercisable after the completion of a two-year vesting period from the date of grant. Details of the outstanding granted share options as at 31 December 2017 are as follows:

Name	Position	Number of granted share options (in'0000)
Mr. Fan	Vice Chairman	50
Mr. Ya	Vice Chairman	25
Mr. Xiang	Vice Chairman	190
Mr. Zeng Ha	General Manager, Financial Manager and Secretary of the Board	25
Mr. [illegible]	Secretary of the Board	129.8
Total		419.8

Note: After the approval of the grant of the share options by the Board of Directors of the Company on 27 March 2017, Mr. Jiang granted 516,000 shares of the Company to Mr. Zeng Hai, the general manager, financial manager and secretary of the board of directors.

On 31 December 2017, Mr. Jiang had 516,000 shares of the Company and 1.4 share options exercisable.

For details of the fair value of granted share options, 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 (Continued)

Directors', supervisor's and senior management's emoluments for the year ended 31 December 2017 are as follows (Continued):

		Emoluments for other management service of the Company or subsidiaries				
Name	Remuneration	Salary and allowance	Pension	Bonus	Others	Total
Supervisors						
Xing Bin	–	245	42	48	13	348
Zhang Mingde	–	–	–	–	–	–
Li Sheng (Note)	–	–	–	–	–	–
Wang Hongde (Note)	–	–	–	–	–	–
Sub-total	–	245	42	48	13	348

Note: On 26 September 2017, as considered and approved at the Extraordinary General Meeting 2017, Mr. Li Sheng resigned from the position of supervisor and Mr. Wang Hongde was elected by the Shareholders' Committee as the employee representative supervisor of the 8th Session of the Supervisory Committee.

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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)

D ec ' e a d e e a age e e e' e e f e ea e ded 31 Dece be 2017 a e a f (C ed):

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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' emoluments for the year ended 31 December 2016 are as follows:

Name	Remarks	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Other emoluments	Total
Directors							
Wang Hong							
Zhang Lang	None(i)						
Wang Yanjiang	None(i)						
Ma Bangjun			2,660	64	2,805	444	5,973
Wu Shuiming	None(i)						
Wang Zhan	None(i)						
Li Cong	None(i)						
Pan Chengde		200					200
Wang Guiping		200					200
Li Ke	None(i)						
Pan Zhengqiu	None(i)	200					200
Sub-total		600	2,660	64	2,805	444	6,573

None(i): On 31 March 2016, as elected by the 2015 annual general meeting of the Company, Mr. Zhang Lang, Mr. Wu Shuiming and Mr. Li Ke resigned as directors of the Company.

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)

D, ec , ', ! e, , ' a d e , a age e e, e ' e ! e f, e ea, e ded 31 Dece be, 2016 a, e a f (C ed):

Na e	Re ! e, a	E ! e f, e, a age e e, ce f eC a , ! b da, e Saa, a d a a ce	Pe	B !	O e,	T a
Supervisors						
He Jae	N e( )					
X gB		236	39	54	12	341
L W !	N e( ),( )					
Za gM g e	N e( )					
L Seg !	N e( )					
S b- a		236	39	54	12	341

N e( ): O 31 Ma 2016, a , ! ed b e 2015 a ! a ge e, a ee g f eC a , M. Wa g ! a g a , ed b eb a d fd, ec , a e, ce ca, a a d -e ec ! ed, ec , f ee g e f eb a d fd, ec , . M. L C g a a ed a e -e ec ! ed, ec , f ee g e f eB a d fD, ec , . M. Pa Ze g a a ed a de e de -e ec ! ed, ec , f ee g e f eB a d fD, ec , .

N e( ): O 31 Ma 2016, a , ! ed b e 2015 a ! a ge e, a ee g f eC a , M. Wa g Za a d M. He Jae ef e ffce d e e e, a f e, e, f ffce. M. Wa g Za a a ed b eb a d fd, ec , a e -e ec ! ed, ec , f ee g e f eB a d fD, ec , , M. L W ! , M. Za g M g e a , ed b e b a d f ! e, , a e a e de, e, e e a ! e ! e, , f ee g e f e ! e, , c ee.

N e( ): O 20 Dece be, 2016, a , ! ed b eC a ' 1 E, a, d a, Ge, a Mee g 2016, M. L W ! , e g ed d e bc a ge a d a ed M. L Seg ! a ! e, , f e 8 S e, , C ee f eC a .

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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', supervisor's and senior management's emoluments for the year ended 31 December 2016 are as follows (Continued):

Name	Remarks	Number of individuals	Employer's contribution to pension scheme	Discretionary bonuses	Basic salaries, housing allowances, other allowances and benefits in kind	Other benefits	Total
Other Senior Executives							
W Fa e			1,325	107	1,220	31	2,683
L Y			886	105	1,130	31	2,152
L X eb			1,379	107	1,220	31	2,737
Z ag Ba g			1,325	92	1,220	25	2,662
Ya			864		1,220		2,084
Ga Xa g			1,439	89	620	22	2,170
J Ja g			1,325		1,140		2,465
Ya g R g	N e( )		1,013	71	660	31	1,775
			1,444	64	1,100	31	2,639
Sub- a			11,000	635	9,530	202	21,367
Ta		600	13,896	738	12,389	658	28,281

N e( ): Afe e e f ec d ee g f e e e f eBad fD ec f eC a 2016, M. Ze g Be a e g ed de ee a f e f ffce da a ed M. Ya g R ga ege ea age f e c a f d age e de a e.

Te e d d a ece ed e ge ae c ded af ead 2016.

O e be ef a c f g d, e , ed ca a ce, e c.

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (C

For the year ended 31 December 2017
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IX. SHARE-BASED PAYMENTS

1. Information about share-based payments

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IX. SHARE-BASED PAYMENTS (CONTINUED)

2. Information on equity-settled share-based payment

(1) Information on share-based payment of Enric

E c a b da f e C a ca ed a a e a c a a ed b e a e de ' ee g 11 N e be 2009. Acc d g e Pa , e e a age e e ead e e ee E c e e g a ed a e f E c a c de a b c be f a e f E c. T e a e 50% e e c abe afe e ea f e da e f g a a d a e e 100% e e c abe afe ea f e da e f g a . Eac g e e de e g b c be f e d a a e E c. T e a b be f a e g a ed a 43,750,000, e e e c e ce f HKD4 e a e.

E c ca ed a e a e a c a a ed b e a e de ' ee g 28 Oc be 2011. Acc d g Pa II, e b a d f d ec f e C a a a ed g a a e e e a age e e ead e e ee f E c a c de a b c be f a e f E c. T e a e 40% e e c abe afe e ea f e da e f g a a d, 70% e e c abe afe 2 ea f e da e f g a , a d e 100% e e c abe afe 3 ea f e da e f g a . Eac g e e de e g b c be f e d a a e E c. T e a b be f a e g a ed a 38,200,000, e e c e ce f HKD2.48 e a e.

E c, a b da f e C a ca ed a a e a c a a ed b e a e de ' ee g 5 e 2014. Acc d g e Pa , e e a age e e ead e e ee E c e e g a ed a e f E c a c de a b c be f a e f E c. T e a e 40% e e c abe afe ea f e da e f g a , 70% e e c abe afe ee ea f e da e f g a a d 100% e e c abe afe f , ea f e da e f g a . Eac g e e de e g b c be f e d a a e E c. T e a b be f a e g a ed a 38,420,000, e e e c e ce f HKD11.24 e a e.

M e e f a e f E c:

	2017 '000	2016 '000
Beg g ba a ce	83,572	86,599
E e c ed c e e d	(5,814)	(1,211)
Ca ce ed c e e d	(417)	(1,776)
F fe ed c e e d	(967)	(40)
E d g ba a ce	76,374	83,572

For the year ended 31 December 2017
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(Explanation of Reference Code)

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

The Company adopted the Share Option Scheme on 28 September 2010. According to the Share Option Scheme, the Company granted share options to the employees of the Company and its subsidiaries to subscribe for shares of the Company. The effective period of the Share Option Scheme is ten years. The share options are exercisable at 25% of the total share options granted after 24 months from the date of grant, and the share options granted after 48 months from the date of grant. The remaining 75% of the share options granted after 48 months from the date of grant are exercisable during the period from the date of the Share Option Scheme. Each share option entitles the holder to subscribe for one share of the Company. In addition, the following vesting conditions are applicable:

(a) The holder must remain an employee;

(b) The cumulative profit attributable to shareholders of the Company after deducting non-recurring gains and losses for the year must be no less than 6% of the net asset value; and the cumulative profit after deducting non-recurring gains and losses for the year must be no less than 10% of the net asset value at the end of the year.

(c) Depending on the performance of the Company, the holder must meet the performance requirements stipulated in the annual performance appraisal for the year.

On 12 May 2015, according to the resolutions passed at the Board of Directors' meeting held on 31 December 2015, the number of exercisable share options was adjusted. The adjusted number of exercisable share options is 39,660,000. On 9 October 2015, according to the resolutions passed at the Board of Directors' meeting held on 31 December 2015, the number of exercisable share options was adjusted to 40,500,000. On 27 September 2016, according to the resolutions passed at the Board of Directors' meeting held on 31 December 2015, the number of exercisable share options was adjusted to 41,324,000. On 27 September 2017, according to the resolutions passed at the Board of Directors' meeting held on 31 December 2015, the number of exercisable share options was adjusted to 42,205,000. After the adjustment, the number of exercisable share options is 4,132,5000.

After the adjustment, the number of exercisable share options is 660,000,000. The exercise price of the share options granted on 22 September 2011 was adjusted to RMB10.49 per share.

The share options granted on 22 September 2011 vested during the year ended 31 December 2014. The share options granted on 28 September 2012 vested during the year ended 31 December 2015. The share options granted on 28 September 2013 vested during the year ended 31 December 2016. The share options granted on 28 September 2014 vested during the year ended 31 December 2017.

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IX. SHARE-BASED PAYMENTS (CONTINUED)

2. Information on equity-settled share-based payment (Continued)

(2) Information on share-based payment of the Company (Continued)

M e e f a e f e C a :

	2017 '000	2016 '000
Beg g ba a ce	25,229	25,986
E e c ed c e e d	(4,312)	(757)
E d g ba a ce	20,917	25,229

(3) Basis of the best estimate of the number of equity instruments expected to vest is as follows:

A eac ba a ce ee da e d g e e g e d, e C a a e e be e a acc d g e a e f a f e be fe ee a e g a ed e a d e e e be fe e e ec ed e . O e g da e, e e a e a be e a e be fe e a a e e ed.

T e e a g f ca d ffe e ce fe a be ee c e ea a d a ea.

A a 31 Dece be 2017, Acc a ed a ec g ed ca a e e e f a e-ba ed a e	400,716
T a e e ec g ed f e - e ed a e-ba ed a e f c e ea I c d g:	
a b ed e C a	
a b ed E c	16,324
	16,324

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X. CONTINGENCIES

1. Contingent liabilities

CIMC Raffe , a b da f e G , ged ad g af c c ac e ee a c ae . Te ee a c ae be ed a CIMC Raffe fa ed de e c ed ea e ed b e c ac a d ad e a ce f e f ec ac CIMC Raffe a d de a ded c e a f USD37,400,000 (e e a e RMB244,379,000). A f 31 Dece be 2016, CIMC Raffe a ec a fed e ad a ce a e f US$18,700,000 (e e a e RMB122,189,000) e a abe . A f e da e f e a d e e a e a b a . T e a age e e ec a e f a b a ea e a d ea ed ab e a e acc ed.

YZTH, a b da f e C a ded g a a ee e gage a b c e f c e b g e c b e f e a e a e ee e ee , e a age e ea e ec ed e e b f YZTH e a e a f ece , e ef e e a ed e a ed ab e f RMB3,096,000 (31 Dece be 2016: RMB19,778,000) a e acc ed, c ba ed ea f a a e ec ed be c e a ed.

2. Guarantees provided for external parties

CIMC Raffe , a b da f e G , ded e g a a ee f e e ea g f c e . A a 31 Dece be 2017, e a g a eed b Raffe a ab RMB258,646,000 (31 Dece be 2016: RMB382,000,000).

CIMC Ve ce G , a b da f e G , ged c ac C a Me c a Ba , C a E e b g Ba , H a g Ba a d l d a Ba , c a g a ed e d b , a d c e f CIMC Ve ce G a d b da e a g f c a e f e ce , d c . A a 31 Dece be 2017, b e e

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(All amounts are expressed in RMB'000 unless otherwise stated)
(Except for the balances of Reference to Note V)

X. CONTINGENCIES (CONTINUED)

3. Notes payable issued but not accounted for, outstanding letter of credit issued but undue and outstanding performance guarantees

The Group has endorsed or discounted certain bank acceptance notes and commercial acceptance notes to its suppliers in exchange for goods and services. As at 31 December 2017, the Group has derecognised such notes with an aggregate amount of RMB4,180,000 and the relevant endorsed or discounted notes amounted to RMB274,253,000, in aggregate RMB278,433,000 (31 December 2016: RMB1,143,013,000).

As at 31 December 2017, the Company has issued guarantees to banks in respect of banking facilities granted to subsidiaries amounting to RMB779,996,000 and USD30,000,000 (equivalent to RMB196,026,000), in aggregate RMB976,022,000 (31 December 2016: RMB1,053,740,000).

As at 31 December 2017, the Group has issued guarantees to banks in respect of the mortgage loans granted by banks to purchasers of the Group's properties amounting to RMB90,121,000, the balance of the guarantees in respect of the rental payments of RMB59,349,000, the balance of the guarantees in respect of the construction contracts of RMB10,440,000, the balance of the guarantees in respect of the litigation of RMB6,950,000, the balance of the guarantees in respect of the tax of RMB6,000,000, the balance of the guarantees in respect of the customs duties of RMB4,073,000, the balance of the guarantees in respect of the bidding of RMB1,950,000, the balance of the guarantees in respect of the performance bonds of RMB1,299,000, and the balance of the guarantees in respect of the land appreciation tax of RMB60,000 (31 December 2016: RMB55,889,000).

As at 31 December 2017, the balance of the guarantees in respect of the Group's bank borrowings and the bank borrowings of Tianda Automobile amounted to RMB857,578,000, the balance of the guarantees in respect of the rental payments of RMB409,001,000, and the balance of the guarantees in respect of the construction contracts of RMB281,602,000. The balance of the guarantees in respect of the litigation of RMB68,991,000, the balance of the guarantees in respect of the tax of RMB16,842,000, the balance of the guarantees in respect of the bidding of RMB41,679,000, the balance of the guarantees in respect of the performance bonds of RMB2,214,000, and the balance of the guarantees in respect of the land appreciation tax of RMB37,249,000 (31 December 2016: RMB682,818,000).

As at 31 December 2017, CIMC Enric and the subsidiaries of the Group have issued guarantees to banks amounting to RMB994,460,000, the balance of the guarantees in respect of the rental payments of RMB382,927,000, and the balance of the guarantees in respect of the construction contracts of RMB329,295,000, the balance of the guarantees in respect of the litigation of RMB154,849,000, the balance of the guarantees in respect of Performance Guarantee of RMB113,667,000, the balance of the guarantees in respect of the tax of RMB5,923,000, and the balance of the guarantees in respect of the customs duties of RMB7,799,000 (31 December 2016: RMB779,018,000).

As at 31 December 2017, CMIC Raffles and the subsidiaries of the Group have issued guarantees to banks amounting to US$3,110,000 (equivalent to RMB20,321,000), the balance of the guarantees in respect of the rental payments of US$310,000 (equivalent to RMB2,025,000). The balance of the guarantees in respect of the tax of USD2,800,000 (equivalent to RMB18,296,000) (31 December 2016: RMB905,730,000).

As at 31 December 2017, CIMC Finance Company, the subsidiaries of the Group, have issued guarantees to banks in respect of the mortgage loans granted by banks to purchasers of the Group's properties amounting to RMB7,559,000, the balance of the guarantees in respect of the rental payments of RMB476,000, and the balance of the guarantees in relation to the tax of RMB4,000,000, the balance of the guarantees in respect of the litigation of RMB2,000,000, and the balance of the guarantees in respect of the performance bonds of RMB1,083,000 (31 December 2016: RMB28,396,000).

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(Amounts in RMB'000 unless otherwise stated)
(Blank Template for Reference Only)

X. CONTINGENCIES (CONTINUED)

4. Significant pending litigations

On 23 January 2018, Sagang No. 2 Intermediate People's Court of Jiangxi Province issued (2016) Sagang 02 Minchu No. 473 Civil Judgment, Sagang XZ Shengmai Co., Ltd. (Sagang XZ) and its subsidiaries as defendants Sagang Natong Trade Co., Ltd. and Nanjing Pacific Co., Ltd., and other entities for infringement of intellectual property rights of Sagang XZ and its subsidiaries. According to the judgment, the defendants should compensate the plaintiffs for economic losses. As of 31 December 2017, the accrued amount was RMB102,525,000.

XI. COMMITMENTS

1. Significant commitments

(1) Capital commitments

	2017	2016
Significant contracted for but not provided for in the financial statements	98,366	108,730
Investment contracted for but not yet paid in the financial statements	10	129,423
Significant contracted for but not yet paid for the acquisition of fixed assets	44,342	179,633
Total	142,718	417,786

(2) Operating lease commitments

The future minimum lease payments under non-cancellable operating lease contracts are as follows:

	2017	2016
Within 1 year (inclusive)	54,387	45,683
Over 1 year but within 2 years (inclusive)	24,211	26,155
Over 2 years but within 3 years (inclusive)	10,288	20,690
Over 3 years	49,855	49,420
Total	138,741	141,948

Operating lease expenses recognized for the year ended 2017 amounted 78,490,000 (2016: 88,124,000).

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XII. EVENTS AFTER THE BALANCE SHEET DATE

1. Dividend distribution after the balance sheet date

D de d ed (N e (1))	805,380

(1) Dividend for ordinary shares proposed after the balance sheet date

A a 27 Ma c 2018, b a d f d ec ed d b ca d de d e d a a e de f RMB0.27 e a e, a d ea f a e ca a ed a f 31 Dece be 2017 a RMB805,380,000 (2016: RMB0.06 e a e, a a f RMB179,887,000). T a e bea l ed b e a e de ee g. T ed de d d b a ba ed e be f a e ed de d eg a da e. D de d ed af e eba a ce ee da ea e ec g ed a ab e a eba a ce ee da e.

2. Revision of accounting policy

I 2017, e M f F a ce a e ded e f g f e acc g a da d (c ec e, e Ne a da d) e Acc g Sa da d f B e E e, e N.14 Re e e (e Ne Re e e Sa da d), Acc g Sa da d f B e E e, e N.22 Rec g a d Mea e e f F a ca I e, Acc g Sa da d f B e E e, e N.23 Ta fe f F a ca A e, Acc g Sa da d f B e E e, e N.24 Hedge Acc g, Acc g Sa da d f B e E e, e N.37 P e e a a d Re g f F a ca l e (c ec e, Ne F a ca l e Sa da d). T e af e a d Ne Sa da d a bee ad ed ce 1 Ja a 2018, e G a ed c e acc g a e e de e e e f e Ne Sa da d c ec g f ef a e e f 2018.

T e Ne Re e e Sa da d def e e e e ec g ed e ed e ba c f e e a g d e ce. Acc d g ec e ge ce e f e Ne Sa da d, c a e d eed e a e e e d' c a abe f g e, ec a e ac f e e e a f e e a da d e f da be ad ed e e a ed ea g a e beg g f e e d e e a ed e e f a ca a e e. T e a age e a a e ed e ac f e a ca f e Ne Re e e Sa da d e G ' f a ca a e e: (1) T e Ne Sa da d e e e a a e g f c ac a e a d c ac ab e e ba a ce ee, c e e e a eca f ca f e e c e c ded e ba a ce ee; (2) W e a fe e f g c d e a g d (c d g ea e a e), d ced d g e e f a ce ce a e e aceabe e, a d e e a d g e e ec ac e d, e a e e g eca e a e f ec a e e f a ce a a a e bee c e ed fa a d ea e a e a e a be ec g ed a e e e ba ed e e f a ce e a e ea ed b e e d, acc d g ec d f f f g e b ga a ce a e d f e. T e a age e be e a e Ne Re e e Sa da d a e g f ca ac e f a ca a d e a g e f e G .

For the year ended 31 December 2017
(All amounts in RMB'000 unless otherwise stated)
(Figures in this report refer to Chinese)

XII. EVENTS AFTER THE BALANCE SHEET DATE (CONTINUED)

2. Revision of accounting policy (Continued)

The following accounting standards have been effective since January 1, 2017: (1) Amendments to IAS 7 Statement of Cash Flows; (2) Amendments to IAS 12 Income Taxes; (3) Amendments to IFRS 12 Disclosure of Interests in Other Entities. The adoption of these amendments to standards did not have significant impact on the Group's financial statements. The Group has applied the amendments to IAS 7 for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). Specifically, the amendments require the disclosure of the following changes in the Group's liabilities arising from financing activities: changes from financing cash flows; changes arising from obtaining or losing control of subsidiaries or other businesses; the effect of changes in foreign exchange rates; changes in fair values; and other changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities. In addition, the amendments require disclosure of changes in financial assets if they meet the above definition of liabilities arising from financing activities because cash flows were, or future cash flows will be, included in cash flows from financing activities. According to the transitional provisions of the new IAS 7, the Group is not required to provide comparative information for preceding periods upon the first application of the amendments. The application of the amendments to IAS 7 has resulted in additional disclosures in these financial statements.

The amendments to IAS 12 clarify the following aspects: (1) The existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or how the asset is expected to be recovered; (2) The carrying amount of an asset does not limit the estimation of probable future taxable profits. Accordingly, an entity considers whether it is probable that it will have sufficient taxable profits in the future to allow the deductible temporary difference to be utilised, which includes comparing the deductible temporary difference with future taxable profits that exclude tax deductions resulting from the reversal of those deductible temporary differences; (3) The Group's assessment of the sufficiency of future taxable profits is made in combination with other future tax deductible amounts relating to the same taxation authority and the same taxable entity. The amendments affect the Group's disclosures of deferred tax assets.

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

XIII. SEGMENT REPORTING

I acc da ce eG ' e a ga a c e, a age e e e a e g ce , e abe eg e a e de fed b eG c d g: c a e ad a ce, e eg a d c e ca & f de e , ff eb e a fac e, g c e ce, f ace, e de e e a d ea c . Eac e abe eg e a de e de b e eg e d gdffe e d c a d e ce. I de e de a age e a ed d d a b e eg e a dffe e ec ca a d a e a eg a ead ed. T eG e f a ca f a f d d a eg e eg a de e e e ce a ca a d e f a ce a e e .

1. Segment profits, losses, assets and liabilities

I de a e e eg e e f a ce a d e ce a ca , eG ' a age e e e eg e e e e e, e e a e a d ab e feac eg e eg a . T e e a a ba f c f a de a ed a f :

Seg e a e c de a g be a e , a g be a e , e g- e a e a d acc ecea abe, e c, b e c de defe ed a a e a d e -a ca ed ea a e a e . Seg e ab e c de a abe, ba a , , eca a abe a d e ab e , e defe ed a ab e a ee c de.

Seg e f e e e e e (c d ge e a e e ea d e- eg e e e), ff e g eg e e e e, de eca a da a , a , a e e, e e e e a d c ea b abe d d a eg e . T a ac c d ced a g eg e a e de , a -ea ed a a ac c e ca e .

XIII. SEGMENT REPORTING (CONTINUED)

1. Segment profits, losses, assets and liabilities (Continued)

The following tables present profit or loss, assets and liabilities information regarding the Group's reportable segments for the years ended 31 December 2017 and 2016:

Item	Containers 2017	Road transportation vehicles 2017	Energy and chemistry & food equipment 2017	Offshore business 2017	Airport facilities 2017	Logistic services 2017	Finance 2017	Property development 2017	Heavy trucks 2017	Others 2017	Elimination between segments 2017	Total 2017
External revenue	24,936,966	19,312,933	11,649,409	1,241,605	3,592,934	8,128,290	2,339,934	986,797	2,516,229	1,594,833	–	76,299,930
Inter-segment revenue	109,731	207,731	196,791	1,243,812	3,577	67,162	707	19,995	49,516	1,524,504	(3,423,526)	–
Cost of sales	20,772,143	15,729,623	9,496,115	2,451,403	2,793,427	7,387,048	896,360	584,561	2,413,675	2,908,088	(3,840,046)	61,592,397

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XIII. SEGMENT REPORTING (CONTINUED)

1. Segment profits, losses, assets and liabilities (Continued)

I f, a be d c ed eac f e G, ' , e, abe eg e (c d g a age e ' e, d ca , e e ed f, a a d d c , e, e , ed b acc g a da, d) a e G, e ea, g eg e ' , f /( ), a e a d ab e e a f (C ed):

Ie	C a e, 2016	Ra , a , e f d 2016	Eeg a d ce , & e 2016	Off , e 2016	A, , fac e 2016	L g c e, ce 2016	F a ce 2016	P, e, de, e e 2016	Hea , c. 2016	O e, 2016	E a be ee eg e 2016	T a 2016
E e, a , a ac	10,521,948	14,462,631	9,093,044	459,747	3,213,229	7,081,494	2,302,412	895,106	1,641,820	1,440,221		51,111,652
I e, eg e , a ac	545,051	232,051	260,742	3,845,883		47,962		(172,016)	83,946	779,355	(5,622,974)	
C f ae f, a e, a	9,672,008	11,838,314	7,414,373	3,809,783	2,496,377	6,300,173	1,012,075	379,143	1,685,239	1,930,739	(5,519,215)	41,019,009
I, e e c e/( ) , e', e ada cae	(998)	(3,107)	(2,070)		14,585	61,632	17,403	4,703	1,946	(6,828)		87,266
A e a, e e	18,016	152,894	1,464 3 a.961 570 Td32Td[(3,9,355)T 60 T025 Td(61,632)T 7411 98 Td(18,016)T 72911 80[(6,2,355)T 6.61350 Td[(9,355)T 6971 -0 Td(17,40)T 7.731 -0 Td(8,016)T 7.80 T Td(7742016)T 7.31 71434(41,019,075)T -107.23							

For the year ended 31 December 2017
(Amounts in RMB'000 unless otherwise stated)
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XIII. SEGMENT REPORTING (CONTINUED)

2. Geographic information

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) by the Group's entities' location of incorporation is presented. The geographical information of revenue from external customers is based on the location at which the services were provided. The geographical information of specified non-current assets is based on the physical location of the assets (for property, plant and equipment), the location of the operation to which they are allocated (for goodwill), and the location of the operation (for intangible assets).

Geographic information (according to the receiving party division)

	Total revenue from external customers		Total non-current assets	
	2017	2016	31 December 2017	31 December 2016
P.R.China	32,769,171	23,563,045	53,560,445	53,280,989
Asia (excluding China)	5,412,665	7,266,749	696,672	714,570
America	18,482,055	9,718,213	359,408	391,179
Europe	18,029,736	8,068,004	1,863,541	1,544,659
Others	1,606,303	2,495,641	65,098	85,495
Total	76,299,930	51,111,652	56,545,164	56,016,892

XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

- Credit risk;
- Liquidity risk;
- Interest rate risk;
- Foreign exchange risk.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. Risk management is carried out by a central treasury department (Group treasury) under policies approved by the board of directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity. Risk management is carried out by a central treasury department (Group treasury) that identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Chapter XIII

XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

1. Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of "A" are accepted. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee insurance cover is purchased. Customers that are graded as "high risk" are placed on a restricted customer list, and future sales are made on a cash basis. The Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history. Derivative counterparties are limited to high-credit-quality financial institutions. The Group has exposure to credit risk on financial guarantees given to banks in connection with bank facilities granted to certain third parties. The maximum exposure to credit risk amounts to the maximum amount the Group would have to pay if the guarantees are called upon. Management does not expect any material losses from non-performance by these parties.

Financial assets that are neither past due nor impaired are mainly deposits with banks and financial institutions, trade receivables and other receivables for which there is no recent history of default. Cash at bank and short-term bank deposits that are neither past due nor impaired are deposited with banks with sound credit ratings. Trade receivables that are neither past due nor impaired relate to a wide range of customers for whom there is no recent history of default. Receivables that are past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

For the year ended 31 December 2017
(All amounts in RMB'000 unless otherwise stated)
(Figures in Chinese)

XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

1. Credit risk (Continued)

The Group's credit risk is primarily attributable to its trade receivables, bills receivables, other receivables, loans to customers, debt investments, other debt investments and derivative financial instruments. The balances of trade receivables, bills receivables, other receivables, loans to customers, debt investments and other debt investments as at 31 December 2017 (2016: 30.89%) represent the Group's maximum exposure to credit risk in relation to financial assets.

In order to minimise the credit risk, the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Group consider that the Group's credit risk is significantly reduced. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. The Group has entered into derivative financial instruments with various counterparties, mainly financial institutions with investment grade credit ratings. The Group has adopted the standard terms of the International Swaps and Derivatives Association Agreement (the "ISDA Agreement") in order to minimise the credit risk associated with derivative financial instruments. Under the ISDA Agreement, the Group and the counterparty are entitled to settle on a net basis in the event of default of either party or other specified credit events. The Group's policy is to enter into derivative financial instruments with counterparties that meet minimum credit rating requirements and to obtain sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved annually by the Group's risk management committee. The Group's credit risk is also attributable to its trade receivables and loans to customers. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group's customer base includes a large number of individuals and small and medium-sized enterprises, and the Group's exposure to credit risk is spread over a number of counterparties and customers. The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, which represent the maximum open amount without requiring approval from the risk management committee; these limits are reviewed quarterly. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a wholesaler, retailer or end-user, their geographic location, industry, trading history with the Group and existence of previous financial difficulties. Trade receivables relate mostly to wholesalers, retailers and end-users that are spread across diverse geographical areas. Trade receivables are due within 30 days from the date of billing. Normally, the Group does not obtain collateral from customers, except for certain loans to customers. The Group has established an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

For the year ended 31 December 2017
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(Except for the amounts of Reference to)

XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

2. Liquidity risk (Continued)

The following tables set out the remaining contractual maturities of the Group's financial assets and financial liabilities at the end of the reporting period based on undiscounted contractual cash flows and the earliest date the Group can be required to:

	31 December 2017 Undiscounted contractual cash flow					
	Within 1 year or on demand	1 to 2 years	2 to 5 years	Over 5 years	Total	Carrying amount at balance sheet date
Financial assets						
Cash and bank balances	5,596,314	–	–	–	5,596,314	5,596,314
Financial assets at fair value through profit or loss	194,880	206,604	111,930	–	513,414	513,414
Accounts receivable and receivable	27,187,046	–	–	–	27,187,046	27,187,046
Current portion of long-term receivable	6,294,086	–	–	–	6,294,086	4,314,250
Available-for-sale financial assets	–	–	36,301	411,980	448,281	441,581
Interest receivable	19,092	–	–	–	19,092	19,092
Dividend receivable	4,408	–	–	–	4,408	4,408
Long-term receivable	–	3,589,848	5,449,700	11,540,062	20,579,610	12,880,540
Sub-total	39,295,826	3,796,452	5,597,931	11,952,042	60,642,251	50,956,645
Financial liabilities						
Financial liabilities at fair value through profit or loss	40,832	–	–	–	40,832	40,832
Short-term borrowings	15,317,347	–	–	–	15,317,347	15,317,347
Notes payable	1,785,456	–	–	–	1,785,456	1,785,456
Debentures payable	264,000	6,210,029	2,233,400	–	8,707,429	7,986,500
Accounts payable and payable	19,070,852	–	–	–	19,070,852	19,070,852
Interest payable	377,793	–	–	–	377,793	377,793
Dividend payable	254,434	–	–	–	254,434	254,434
Current portion of long-term payable	4,085,579	–	–	–	4,085,579	4,085,579
Other current payable	588,235	–	–	–	588,235	595,907
Long-term borrowings	1,015,960	4,860,647	20,562,836	831,199	27,270,642	24,140,168
Long-term payable	–	182,388	175,466	–	357,854	347,269
Other non-current payable	278,214	278,214	278,214	1,349,863	2,184,505	1,737,505
Sub-total	43,078,702	11,531,278	23,249,916	2,181,062	80,040,958	75,739,642
Net amount	(3,782,876)	(7,734,826)	(17,651,985)	9,770,980	(19,398,707)	(24,782,997)

For the year ended 31 December 2017
(Amounts in RMB'000 unless otherwise stated)
(Explanation of References on)

XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

2. Liquidity risk (Continued)

	31 December 2016 Undiscounted cash flows					
	Within 1 year or on demand	1 to 2 years	2 to 5 years	Over 5 years	Total	Carrying amount
Financial assets						
Cash and bank deposits	6,325,998				6,325,998	6,325,998
Financial assets at fair value through profit or loss	141,160		325,187		466,347	466,347
Accounts receivable and other receivables	24,619,828				24,619,828	24,619,828
Current portion of long-term receivables	5,513,253				5,513,253	3,941,689
Available-for-sale financial assets			36,803	412,240	449,043	442,726
Interest receivable	9,250				9,250	9,250
Dividend receivable	41,959				41,959	41,959
Long-term receivables		3,997,923	5,268,322	12,907,684	22,173,929	13,220,242
Sub-total	36,651,448	3,997,923	5,630,312	13,319,924	59,599,607	49,068,039
Financial liabilities						
Financial liabilities at fair value through profit or loss	199,225		3,816		203,041	203,041
Short-term borrowings	15,729,787				15,729,787	15,729,787
Notes payable	1,551,582				1,551,582	1,551,582
Debentures payable	189,000	189,000	8,175,500		8,553,500	7,986,500
Accounts payable and other payables	15,315,024				15,315,024	15,315,024
Interest payable	303,375				303,375	303,375
Dividend payable	16,746				16,746	16,746
Current portion of long-term borrowings	3,667,872				3,667,872	3,667,872
Other current liabilities	1,666,966				1,666,966	1,687,762
Long-term borrowings	1,056,608	10,819,611	16,387,132	3,464,214	31,727,565	27,023,222
Long-term payables		520,988	4,767	23,220	548,975	529,372
Other non-current liabilities	314,210	314,210	314,210	1,685,812	2,628,442	2,037,458
Sub-total	40,010,395	11,843,809	24,885,425	5,173,246	81,912,875	76,051,741
Net amount	(3,358,947)	(7,845,886)	(19,255,113)	8,146,678	(22,313,268)	(26,983,702)

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

2. Liquidity risk (Continued)

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A a e baa ce ee da e, e G ' f a ca g a a ee ded e e a a e a e a a ed be ba ed e a a a d e ea e e d c e g a a ee c d be ca ed:

For the year ended 31 December 2017
(Amounts in RMB'000 unless otherwise stated)
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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

3. Interest rate risk

Fixed and floating interest-bearing financial assets and liabilities expose the Group to interest rate risk. The interest rate risk of the Group mainly arises from bank borrowings. Floating rate borrowings expose the Group to cash flow interest rate risk. Fixed rate borrowings expose the Group to fair value interest rate risk.

(1) As at 31 December 2017, the Group's fixed interest-bearing financial instruments:

	31 December 2017		31 December 2016	
	Interest rate (%)	Amount	Interest rate (%)	Amount
Fixed rates interest-bearing financial instruments				
Long-term receivable	2.58%-17.53%	12,880,540	2.58%-17.53%	13,220,242
Current portion of long-term receivable	2.58%-17.53%	4,314,250	2.58%-17.53%	3,941,689
Financial liabilities				
Short-term borrowings	1.30%~6.09%	3,917,219	0.65%-16.41%	6,280,953
Debentures payable	3.07%-3.89%	7,986,500	3.07%-3.89%	7,986,500
Current portion of long-term borrowings	2.53%-5.46%	1,281,655	2.65%-2.90%	800,000
Long-term borrowings	1.20%-7.03%	3,529,147	1.45%-6.37%	1,043,007
Other current liabilities	0.01%-1.00%	588,235	0.01%-1.00%	1,666,966
Other non-current liabilities	4.99%-12.00%	1,737,505	4.99%-12.00%	2,037,458
Total		(1,845,471)		(2,652,953)

F e ea e ded 31 Dece be 2017
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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

3. Interest rate risk (Continued)

(1) A a 31 Dece be 2017, e G ed ef g e e-bea g f a ca e : (C ed)

	31 December 2017		31 Dece be 2016	
	Interest rate (%)	Amount	I e e a e (%)	A
Floating rates interest-bearing financial instruments				
Financial assets				
Ca a ba a d a d	0.30%-2.75%	5,596,314	0.30%-2.75%	6,325,998
Financial liabilities				
C e f g-e b g	1.775%+1M libor~ 6M libor+195bps	2,700,971	1M L b +145b ~ 1M L b +245b	2,725,710
L g-e b g	1.15%+1M libor~ 3M libor+240bps	20,611,021	1M L b +145b ~ 6M L b +310b	25,980,215
S - e b g	6M libor+2.8%~ 1M libor+150bps	11,400,128	1M L b +125b ~ 6M L b +230b	9,448,834
L g-e a abe	8.02%~12.86%	347,269	8.02%~12.86%	529,372
C e f g-e a abe	8.02%~12.86%	100,609	8.02%~12.86%	138,312
T a		(29,563,684)		(32,496,445)

(2) Sensitivity analysis

A a 31 Dece be 2017, e a ed a age e a c ea e/dec ea e f 25 ba (31 Dece be 2016: 25 ba) e e ae, a e a abe ed c a , d c ea e/dec ea e e G ' e f b 55,432,000 a d e b 55,432,000 (2016: 60,931,000 a d 60,931,000, e ec e).

T e e a a ab e dca e e a a e c a ge e e f a d e a d a g a e c a ge e e ae ad cc ed a e ba a ce ee da e a d ad bee a ed e- ea e e f a ca e e ed b e G c e e e G fa a e e e ae a e ba a ce ee da e. I e ec f e e e ca f e e ae a g f f a g ae -de a e e ed b e G a e ba a ce ee da e, e ac e e f a d e e a ed a a a a ed ac e e e e c e f c a c a ge e e ae. T e a a a e f ed e a e ba f e e ea.

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

4. Foreign exchange risk (Continued)

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

4. Foreign exchange risk (Continued)

(3) Sensitivity analysis

A g e , a abe e a e e c a ge , a e a c a ged, e e c a ge , a e f e RMB aga e U.S. d a a d H g K g d a ca ed e RMB a , ec a e b 2.30% a d 2.27% 31 Dece be 2017 (RMB e c a ge , a e aga e U.S. d a a d H g K g d a ca ed e RMB de , ec a e b 2.80% a d 2.70% a f 31 Dece be 2016). A e a e e, RMB e c a ge , a e aga e , a d e Ja a e e e de , ec a ed e a e f e RMB b 3.06% a d 1.22% (31 Dece be 2016, e e c a ge , a e f e RMB aga e , a d e Ja a e e e de , ec a ed e RMB b 2.80% a d 1.90%), a d e f g c ea e/(dec ea e) a e de a d e , f . T effec c e ed RMB a e e c a ge , a e eba a ce ee da e.

	E	Ne f
31 Dece be 2017		
USD	124,096	124,096
EUR	29,792	29,792
HKD	(1,263)	(1,263)
JPY	669	669
T a	153,294	153,294
31 Dece be 2016		
USD	(415,669)	(415,669)
EUR	26,128	26,128
HKD	(2,115)	(2,115)
JPY	1,716	1,716
T a	(389,940)	(389,940)

A a 31 Dece be 2017, e a a e , a abe , e a c a ged, e e c a ge , a e c a ge f RMB d a a d H g K g d a de a ed RMB2.30% a d 2.27% (31 Dece be 2016 e e c a ge , a e c a ge f RMB aga US d a a d H g K g d , e c ade RMB a , ec a 2.80% a d 2.70%), a d e e c a ge , a e c a ge f RMB aga e , a d e ade RMB , e. T e a e f 3.06% a d 1.22% (RMB e c a ge , a e c a ge f e , e b aga e e , a d e 31 Dece be 2016 a d e a , ec a f RMB2.80% a d 1.90%) ead e a e c a ge e e a d , f a d f a e de , a d e a e b e d , ec .

For the year ended 31 December 2017
(All amounts are expressed in RMB'000 unless otherwise stated)
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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

6. Fair value estimates

The following table presents the carrying amounts of financial instruments measured at fair value at the end of the reporting period, categorised into three levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices);

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(1) Assets measured at fair value on a recurring basis

The following table presents the Group's assets that are measured at fair value at 31 December 2017:

Assets	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at fair value through profit or loss					
Investment funds	IV.2	183,303	–	–	183,303
Derivative financial assets	IV.2	–	328,751	–	328,751
Hedging derivatives	IV.2	–	1,360	–	1,360
Available-for-sale financial assets	IV.11	3,995	436,661	–	440,656
Financial assets		187,298	766,772	–	954,070
Non-financial assets					
Investment properties	IV.14	–	–	1,679,189	1,679,189
Total		187,298	766,772	1,679,189	2,633,259

Liabilities	Note	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	IV.26	–	(3,025)	–	(3,025)
Hedging liabilities	IV.26	–	–	–	–
Financial guarantee contracts	IV.26	–	–	(37,807)	(37,807)
Total		–	(3,025)	(37,807)	(40,832)

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For the year ended 31 December 2017
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(Figures in Reference to Note)

XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

6. Fair value estimates (Continued)

(1) Assets measured at fair value on a recurring basis (Continued)

The following table presents the Group's assets that are measured at fair value at 31 December 2016:

Assets	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at fair value through profit or loss					
Investment funds	IV.2	138,072			138,072
Derivative financial assets	IV.2		326,969		326,969
Hedging derivatives	IV.2		1,306		1,306
Available-for-sale financial assets	IV.11	2,441	30,803		33,244
Financial assets		140,513	359,078		499,591
Non-financial assets					
Investment properties	IV.14			1,752,608	1,752,608
Total		140,513	359,078	1,752,608	2,252,199

Liabilities	Note	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	IV.26		(15,838)		(15,838)
Hedging liabilities	IV.26		(4,244)		(4,244)
Financial guarantee contracts	IV.26			(57,419)	(57,419)
Contingent consideration				(125,540)	(125,540)
Total	IV.26		(20,082)	(182,959)	(203,041)

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. During the year ended 31 December 2017, there were transfers between Level 1 and Level 2 and between Level 2 and Level 3.

For available-for-sale financial assets, the Group uses valuation techniques to determine the fair value of unlisted equity investments. Valuation techniques include net asset value and discounted cash flow method. Certain assumptions, including the risk adjusted discount rate, liquidity discount, price-to-book ratio, price-to-earnings ratio, EBITDA multiple, etc. are not supported by observable market prices or rates.

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

6. Fair value estimates (Continued)

(1) Assets measured at fair value on a recurring basis (Continued)

The Group adopted a fair value model to measure investment properties. The valuation was carried out by independent valuers, who hold recognised relevant professional qualifications and have recent experience in the location and category of the properties being valued.

The following table presents the reconciliation of Level 3 fair value measurements:

	Investment properties

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

6. Fair value estimates (Continued)

(1) Assets measured at fair value on a recurring basis (Continued)

T ef g abe e e f a f ea e ea ed a fa a e Le e 3:

	Fair value as at 31 December 2017	Valuation techniques	Significant unobservable inputs: Name	Scope/ weighted average	Relationship with fair value	Observable/ Unobservable
I e e e			Rate of return/capitalisation rate	6%-8%		
C ed e e	1,265,466	Income model	Monthly rental (RMB/square meter/month)	7-98	(a)	Unobservable
			Budgeted construction cost to be incurred (RMB/square meter)	650-4,600		
La d e g	413,723	Cost model	Anticipated developer's profit margin	9%-12%	(a)	Unobservable
		Direct comparison	Market price (RMB/square meter)	450-2,200	(a)	Unobservable

(a) T e ea f b e abe fa a e ea ea f :

- T e g e f e ae f e / ca a a ae, e e ffa a e;
- T e g e f ee ec ed aca c ae, e e ffa a e;
- T e g e f e e a, e g e f efa a e;
- T e g e f e a e ce, e g e f efa a e;
- T e g e f eb dgeed c c be c ed, e e f efa a e;
- T e g e f ea c aed dge e e' f ag , e e f efa a e.

	Fa a ea a 31 Dece be 2016	Va a ec e	Sg fca b e abe : Na e	Sc e/ eg ed ae age	Rea fa a e	Ob e abe/ U b e abe
I e e e			Ra e f e / ca a a ae	6%-8%		
C ed e e	1,139,285	I c e de	M e a (RMB/ a e ee/)	7-95	(a)	U b e abe
			B dgeed c c be c ed (RMB/ a e ee)	650-4,600		
La d e g	613,323	C de	A c aed dge e e' f ag	9%-12%	(a)	U b e abe
		D ec c a	Ma e ce (RMB/ a e ee)	450-2,200	(a)	U b e abe

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

6. Fair value estimates (Continued)

(2) Assets measured at fair value on a non-recurring basis

T e -d e a e edf aea e ea ed a e e f eb l a ea d e fa l a e e ed a e e e. A a 31 Dece be 2017, e G a e ca fed a a abe f ae c de l e e e f 26,401,000, f ed a e f 91,825,000, a gbea e f 102,665,000 a d c c ge f 14,312,000 ea ed a fa l a e e d a e e e (N e IV.8). T e fa l a e e a ed ba ed e e e l a e fe a ed f e ca f (26,401,000, 124,243,000, 124,260,000 a d 21,885,000), c be g e de e.

(3) Assets and liabilities not measured at fair value but for which the fair value is disclosed

F a ca a e a d ab e e g ea ed b e a ed c e d f c d g: acc ece abe, - e b g, acc a abe, g- e b g, debe e a abe, g- e a abe e c.

A a 31 Dece be 2017, a f a ca e a e ca ed a a e a d ffe e f e fa l a e.

T e e a ac l e a e f b d a abe a d fa l a e de ed b e a e ac l e a e, c be g ef e. Fa l a e f g- e b g, g- e a abe a d debe e a abe ac l e a e de ed b e d c ed f e ca f f e c ac acc da ce e e a c a abe a d ffe e a e ca f de e a e c d , c be g e de.

(4) Estimation and assumption of fair values

T e f g a e e a e d a da a ed e a g e fa l a e f f a ca a e a fa l a e g f a d f a ca ab e a fa l a e g f , a abe-f - a e f a ca a e e ba a ce ee da e.

(a) Equity investments

Fa l a e ba ed ed a e ce a e ba a ce ee da e f fa l a e f f a ca a e a fa l a e g f a d f a ca ab e a fa l a e g f (e c d g de l a l e), a d abe-f - a e f a ca a e f e e a ac l e a e.

(b) Receivables

T e fa l a e e a eda e e e l a e f e f e ca f , d c ed a e a e e a e a e ba a ce ee da e.

(c) Borrowings, debentures payable, long-term payables and other non-derivatives financial liabilities

T e fa l a e f b g, debe e a abe, g- e a abe a d e -de l a l e f a ca ab e e a eda e e e l a e f e f e ca f , d c ed a e a e e a e f e e a e ba a ce ee da e.

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

6. Fair value estimates (Continued)

(4) Estimation and assumption of fair values (Continued)

(d) Derivatives

Te fa a e ff a de c age c ac e e ba ed e ed a e ce b d c g e c ac a f a d ce a dded c g e d e a e. Te fa a e f e e a e a ba ed b e . Te e a e e edf ea abe e b d c ge a ed f e ca f ba ed e e ad a f eac c ac a d g a e e e a e f a a e e a e e a e ea e e da e.

(e) Financial guarantees

Te fa a e ff a ca g a a ee ed de e ed b efe e ce fee c a ged a a ' e g a ac f a e ce, e c f a ba abe, e e a ed b efe e ce e e a ed ffe e a, b c a g e ac a a e c a ged b e de e e g a a ee ade a a abe e e a ed a e a e e de d a e c a ged, ad e g a a ee bee a a abe, e e abe e a e f c f a ca be ade.

XV. CAPITAL MANAGEMENT

Te G ' bec e f a ag g ca a a e afe a d e g ' ab f a abe de e e de e de e f a e de a d be ef f e a e de a d a a a a ca a c e ed ce ec f ca a.

I de a a ad e ca a c e, e G a ad e a f d de d ad a e de e ca a a e de, e e a e e ed ce deb.

Ta ca a f e g a e de ' e ec da ed baa ce ee. Te g bec e e a a da ca a e e , a d e deb a e a ca a.

Te G ca a e ba f Deb -A e a. T a ca ed a a ab e d ded b a a e.

I 2017, e G a age ca a a b c g e Deb -A e a e ceed 70% (2016: e ceed 70%). Te Deb -A e a a a 31 Dece be 2017 a d 2016 e ea f :

	31 December 2017	31 Dece be 2016
Ta Lab e	87,366,945	85,479,956
Ta A e	130,604,379	124,614,748
Deb -A e a	66.89%	68.60%

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS

1. Cash at bank and on hand

	31 December 2017	31 Dece be 2016
Ba de	1,360,476	2,647,574
O e ca ba a ce	6,400	12,648
	1,366,876	2,660,222
I c d g: ca ab ad	–	519

A a 31 Dece be 2017, e c ed ca a ba a d a d f e C a a ed 31,146,000 (31 Dece be 2016: 2,752,000).

A 31 Dece be 2017, e f ed de f e C a e F a ca C a , a b da f e G , a 1,000,000,000 (31 Dece be 2016: 942,000,000).

2. Dividends receivable

	31 December 2017	31 Dece be 2016
CIMC H g K g	3,210,156	3,435,198
SCIMC	592,706	592,706
SCIMCEL	462,372	462,372
CIMCVG	398,970	
CIMCVL	156,034	149,577
TJCIMCLE	48,915	48,915
M de L g c	29,146	29,146
SCIMCEL	19,263	19,263
Ta Ka gde L g c E e C ., L d	411	411
XHCIMC	396	
CIMC W d	–	874
QDSV	–	17,356
T a	4,918,369	4,755,818

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(E g T a a f Refe e ce O)

XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Other receivables

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

	31 December 2017	31 Dece be 2016
A d e f ea ed a e	13,104,034	13,109,464
De a d a g	14,739	15,711
O e	82,949	10,821
S b- a	13,201,722	13,135,996
Le : L f bad deb	(4,580)	(4,580)
T a	13,197,142	13,131,416

(2) Other receivables are analysed by aging as follows:

	31 December 2017	31 Dece be 2016
W 1 ea (I c L e)	9,713,039	9,642,304
1 2 ea (I c L e)	684,266	1,530,022
2 3 ea (I c L e)	1,434,185	574,631
O e 3 ea	1,370,232	1,389,039
S b- a	13,201,722	13,135,996
Le : L f bad deb	(4,580)	(4,580)
T a	13,197,142	13,131,416

T e age g ca c a ed a g f e da e e ec ab e ec g ed.

A a 31 Dece be 2017 a d 31 Dece be 2016, e C a d d a e L e d e ec ab e a e a ed.

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

XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Other receivables (Continued)

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

	31 December 2017				31 Dece be, 2016			
	Ending balance		Provision for doubtful debts		E d gbaa ce		P, l f, d b deb	
	Amount	% of total balance	Amount	% of total balance	A	% f a baa ce	A	% f a baa ce
O e, ecq abe a a ae d d a g fca	13,161,642	99.70%	–	–	13,066,919	99.47%		
O e, ecq abe a a ae d d a g fca	40,080	0.30%	4,580	11.43%	69,077	0.53%	4,580	6.63%
T a	13,201,722	100.00%	4,580	0.03%	13,135,996	100.00%	4,580	0.03%

T e, e e, e c a e, a a e C a e d f, e, ecq abe a e, e ade a, e af, e a d.

(4) Other receivables with amounts that are individually significant and that the related provision for doubtful debts is provided on the individual basis

A a 31 Dece be, 2017 a d 31 Dece be, 2016, e C a a e, ecq abe a a a, e d d a g fca a d a e, ea ed , l f, d b deb , l ded e d d a ba .

(5) Other receivables with amounts that are not individually significant but that the related provision for doubtful debts is provided on the individual basis.

A a 31 Dece be, 2017 a d 31 Dece be, 2016, e C a a e, ecq abe a a a, e d d a g fca b a e, ea ed , l f, bad deb , l ded e d d a ba .

XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Other receivables (Continued)

(6) Other receivables that the related provision for bad debts is provided on grouping basis using the ageing analysis method are analysed as follows:

	31 December 2017			31 Dece be 2016		
	Ending balance	Provision for doubtful debts		E d g ba a ce	P f d b deb	
	Amount	Amount	% of total balance	A	A	% f a ba a ce
W 1 ea	34,153	–	–	54,449		
1 2 ea	687	–	–	6,120		
2 3 ea	–	–	–	3,268		
3 4 ea	–	–	–	660		
4 5 ea	660	–	–			
Q e 5 ea	4,580	4,580	100.00%	4,580	4,580	100.00%
T a	40,080	4,580	11.43%	69,077	4,580	6.63%

(7) The recovery of provision in current year

T e e e e ecea ab e a e ea ed f d b deb ad bee ded a a ge c e ea (2016: N).

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

T e e e a e a ecea ab e a a e e ff d e ea (2016: N).

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(E g T a f Refe e ce O)

XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Other receivables (Continued)

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

	Nature	Amount	Aging	% of total balance	Provision for doubtful debts
CIMC H g K g	d a fe da a fe	3,761,960	W 1 ea, 1 2 ea	28.50%	
J C&C T c.	d a fe	1,417,182	W 1 ea, 1 2 ea, 2 3 ea, e a 3 ea	10.73%	
H g Be g	d a fe	1,079,848	1 2 ea	8.18%	
CIMC Lea g	d a fe	865,250	1 2 ea	6.55%	
CIMC RAFFLES	d a fe	876,402	1 2 ea	6.64%	
		8,000,642		60.60%	

T e C a ' f e a ge e ece ab e a 31 Dece be 2016 a ed 7,609,722,000 a d acc g f 57.93% f e a e ece ab e .

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

A a 31 Dece be 2017 a d 31 Dece be 2016, a d e f a e de d g e a 5% (c d g 5%) f e g g f e C a c ded e ab e ba a ce f e ece ab e .

(11) Receivables from related parties

Relationship with the Company	31 December 2017 Amount	31 December 2017 % of total balance	31 Dece be 2016 A	31 Dece be 2016 % f a ba a ce
A cae A cae	82,252	0.62%	575,378	4.38%
S b da e S b da e	13,021,782	98.64%	12,534,086	95.42%
T a	13,104,034	99.26%	13,109,464	99.80%

(12) Other receivables derecognised due to transfer of financial assets

A f Dece be 31 2017, e e e e ece ab e dec g ed d e a fe ff a ca a e f e C a e d e ea (31 Dece be 2016: N).

(13) Amount of assets and liabilities recognised due to the continuing involvement of securitised other receivable

A f Dece be 31 2017, e e e ed ed e ece ab e d g ea (31 Dece be 2016: N).

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(E g T a a f Refe e ce O)

XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

4. Available-for-sale financial assets

	31 December 2017	31 Dece be 2016
Mea ed a c		
A a ab e-f - a e e (1)	391,970	391,970
Le : L f a e	(3,065)	(3,065)
	388,905	388,905

(1) Related information analysis of available-for-sale financial assets is as follows:

A a ab e-f - a e f a c a a e ea ed a c :

	31 Dece be 2016	I c ea e c e ea	Dec ea e c e ea	31 December 2017	S a e d g (%)	Ca d de d dec a ed
A a ab e-f - a e e C BOCM Sc de S d Ma age e C a Ra a U ed L g c	8,125			8,125	5.00%	

Chapter XIII

For the year ended 31 December 2017
(All amounts in RMB'000 unless otherwise stated)
(Except for the percentages)

XVI.

XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

5. Long-term equity investments (Continued)

(1) Subsidiaries (Continued):

For the year ended 31 December 2017
(Amounts in RMB'000 unless otherwise stated)
(Figures in Reference Only)

XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

6. Fixed asset

	Plants and buildings	Machinery and equipment	Office and other equipment	Total
Original cost				
31 December 2016	115,451	24,240	124,075	263,766
Transfer from construction in progress	33,294	3,604	18,105	55,003
Decrease during the year	–	(88)	(10,191)	(10,279)
31 December 2017	148,745	27,756	131,989	308,490
Accumulated depreciation				
31 December 2016	(48,594)	(18,219)	(94,581)	(161,394)
Depreciation charged during the year	(3,829)	(1,488)	(7,881)	(13,198)
Decrease during the year	–	79	9,154	9,233
31 December 2017	(52,423)	(19,628)	(93,308)	(165,359)
Net book value				
31 December 2016	66,857	6,021	29,494	102,372
31 December 2017	96,322	8,128	38,681	143,131

The amount of depreciation accredited for the year 2017 and included in the cost of inventories amounted to RMB 13,198,000 (2016: 12,772,000).

The carrying amount transferred from construction-in-progress amounted to RMB 55,003,000 (2016: 11,323,000).

7. Short-term borrowings

(1) The analysis of the Company's short-term loans is as follows:

	31 December 2017	31 December 2016

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

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

XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

11. Other payable

(1) The analysis of the Company's other payables is as follows:

XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

13. Long-term borrowings

(1) The analysis of the Company's long-term loans is as follows:

	31 December 2017	31 Dece be 2016
Bank borrowings		
U ed ed	1,322,000	1,621,000

A a 31 Dece be 2017, e e e ded e g- b g f c ed a a e e ded (31 Dece be 2016: N).

A a 31 Dece be 2017, e e a e f g- b g a ged f 1.20% 4.45% (31 Dece be 2016: 1.20% 3.65%).

14. Debentures payable

I f a f e C a ' debe e a ab e ea e efe N e IV.39.

15. Deferred tax assets and deferred tax liabilities

(1) The offsetting balances of deferred tax assets and liabilities offset and corresponding deductible or taxable temporary differences

	31 December 2017		31 Dece be 2016	
	Deductible/ (taxable) Temporary differences	Deferred tax assets/ (liabilities)	Ded c b e/ (a ab e) Te a d ffe e ce	Defe ed a a e / (ab e)
Defe ed a a e :				
E ee be ef a ab e	291,949	72,986	205,760	51,440
M e e f fa a e f f a ca a e a fa a e g f	614	154	3,360	840
S b- a	292,563	73,140	209,120	52,280
Off e ga	–	–		
Offsetting balances	292,563	73,140	209,120	52,280
I c d g:				
A e a ed e e e 1 ea (c e)		73,140		52,280

For the year ended 31 December 2017
(Amounts in RMB'000 unless otherwise stated)
(Except for amounts for Reference No.)

XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

16. Capital surplus

	1 January 2017	Increase in current year	Decrease in current year	31 December 2017
Share premium	3,601,855	73,823	–	3,675,678
Other capital reserves:				
Exchange reserve from foreign currency translation	687	–	–	687
Deemed income tax reserve	87	–	–	87
Equity-settled share-based payment	253,012	–	(30,077)	222,935
Other	(568,492)	–	–	(568,492)
Total	3,287,149	73,823	(30,077)	3,330,895

	1 January 2016	Increase current year	Decrease current year	31 December 2016
Share premium	3,589,082	12,773		3,601,855
Other capital reserves:				
Exchange reserve from foreign currency translation	687			687
Deemed income tax reserve	87			87
Equity-settled share-based payment	258,211		(5,199)	253,012
Other	(568,492)			(568,492)
Total	3,279,575	12,773	(5,199)	3,287,149

Case XIII

For the year ended 31 December 2017
(Amounts in RMB'000 unless otherwise stated)
(Except for percentages)

XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

17. Other comprehensive income

	1 January 2017	Amount incurred in current year		31 December 2017
		Pre-tax amount incurred in current year	Post-tax amount attributable to the Company	
Items that will be reclassified subsequently to profit or loss:				
Profit arising during the year	43,754	–	–	43,754

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

XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (C

For the year ended 31 December 2017
(All amounts are stated in RMB'000 unless otherwise stated)
(English translation for reference only)

XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

20. Financial expenses – net

	2017	2016
Interest expense	537,640	313,968
Less: Interest income	(332,379)	(203,925)
Exchange gain and loss	469,649	(468,808)
Other	15,150	5,157
Total	690,060	(353,608)

21. Profit arising from changes in fair value

	2017	2016
Financial assets at fair value through profit or loss		
Change in fair value for the year	2,747	10,895

22. Investment income

(1) Investment income by projects

	2017	2016
Income from long-term equity investments accounted for using the cost method	947,752	1,242,065
Income from long-term equity investments accounted for using the equity method	4,000	8,000
(Loss)/income from disposal of long-term equity investments	(7)	7,225
Other investment income	7,904	1,775
Total	959,649	1,259,065

23. Non-operating income

(1) Non-operating income by categories:

	2017	2016
Government grants	–	33,047
Other	7,408	10
Total	7,408	33,057

XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

23. Non-operating income (Continued)

(2) Details of government grants

Chapter XIII

For the year ended 31 December 2017
(All amounts are expressed in RMB'000 unless otherwise stated)
(English translation for reference only)

XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

26. Notes to the cash flow statement

(1) Supplementary information to the cash flow statement:

(a) Reconciliation from net profit to cash flows from operating activities:

	2017	2016
Net profit	79,106	1,827,623
Depreciation of fixed assets	13,198	12,772
Amortization of intangible assets	259	259
Amortization of long-term prepaid expenses	11,103	7,107
Loss/(Profit) on disposal of fixed assets, intangible assets	647	(50)
Profit on change in fair value	(2,747)	(10,895)
Financial expenses	777,404	101,868
Investment income	(959,649)	(1,259,065)
(Increase)/Decrease in deferred tax assets	(20,860)	164,168
Increase in inventories	(140,627)	(478,098)
Decrease/(Increase) in operating receivables	1,771,143	(5,160,495)
Net cash flows from operating activities	1,528,977	(4,794,806)

(b) Net change of cash and cash equivalents:

	2017	2016
Cash and cash equivalents at the end of year	335,730	1,715,470
Less: cash and cash equivalents at the beginning of year	1,715,470	652,865
Net (decrease)/increase in cash and cash equivalents	(1,379,740)	1,062,605

(2)

For the year ended 31 December 2017
(Amounts are expressed in RMB'000 unless otherwise indicated)
(Figures in Terms of Reference Only)

SUPPLEMENTARY TO THE FINANCIAL STATEMENTS

1. STATEMENT OF NON-RECURRING PROFIT OR LOSS

	2017	2016
Profit and loss from disposal of non-current assets	15,635	264,552
Government grants recognised through profit or loss for the current period, except for government grants which are closely related to the Company's normal business operations and are granted according to the unified national standard	472,626	497,336
Gains from changes in fair value arising from holding financial assets and financial liabilities held for trading, and investment income from disposal of financial assets and financial liabilities held for trading, except for effective hedging activities which are related to the Company's normal business operations	125,295	399,704
Income from entrusted investment or asset management	458,808	361,353
Other non-operating income and expenses other than the above	335,255	139,625
Other profit and loss items that meet the definition of non-recurring profit or loss	143,549	(1,362,915)
Effect of income tax	(326,880)	(422,180)
Effect of minority interests (after tax)	(82,114)	150,765
Total	1,142,174	28,240

Note: After the reclassification of non-recurring profit or loss items as mentioned above.

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

Under the Explanatory Notice No.1 for the Circular on Information Disclosure by Companies Offering Their Securities to the Public [2008] of CSRC, non-recurring profit or loss refers to the profit or loss incurred from transactions or matters which are irrelevant to the ordinary business operations of the Company, or which, although relevant to the ordinary business operations of the Company, are unusual in terms of their nature and significant in terms of their impact on the profit or loss of the Company, and which are not expected to recur frequently or regularly.

C a e XIII

F e ea e ded 31 Dece be 2017
(A a RMB'000 e e a ed)
(E g Ta a f Refe e ce O)

2. RETURN ON NET ASSETS AND EARNINGS PER SHARE

I acc da ce I e e P ce e e P e a a f I f a D c e f C a e I g P b c S a e N. 9 Ea g e a e a d e e a e (2010 ed) a d e a e e f acc g a da d, ec ac a fea g e a e a d e e a e f e C a ed a f :

Chapter XIV

According to the Law on the People's Republic of China on Lawyers and Measures for the Administration of Representative Offices of Foreign Law Firms in the People's Republic of China, as amended by the Decision of the Standing Committee of the National People's Congress on Amending the Lawyers Law of the People's Republic of China and Other Laws and the Measures for the Administration of Representative Offices of Foreign Law Firms in the People's Republic of China, as amended by the Decision of the Ministry of Justice on Amending the Measures for the Administration of Representative Offices of Foreign Law Firms in the People's Republic of China and other relevant laws and regulations.

C a e XV

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T ef gd c e be a abef, ec a e ead a e f eC a Se e , e b e, ee a , eg a , a , e a dSa e de, acc, da ce C e e a a d, eg a , e A ce fA ca :

1. T ea a e , g edb ec a, a .
2. T ef a ca ae e de, e a d a d ea f e ega, e, e e a e a , ed e , e e c a ge facc g affa, a d e ead f e acc g de a, e (acc g ff ce,).
3. T e, g a f e a d, e , de, e ea f Acc a F, a d de, e a d a d ea f Ce, fed P b c Acc a .
4. T e, g a c e f e d d e a d a a ce e f eC a b ed e e a e, a ed b e CSRC d, g e Re , g Pe, d.
5. C e f ea C e e a d E g a ce e f eC a b ed e eb e f H g K g S c E c a ge a d eC a d, g e Re , g Pe, d.
6. T e A, ce f A ca .

CIMC R&D Center, No.2 Gangwan Avenue, Shekou,
Nanshan District, Shenzhen, Guangdong, P.R.C

Tel: 86-755-26691130
Fax: 86-755-26692707

www.cimc.com

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