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

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

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

Results Announcement for the six months ended 30 June 2013 (Summary of the 2013 Interim Report)

1 IMPORTANT NOTICE

1.1 The Board of Directors (the "Board") of China International Marine Containers (Group) Co., Ltd. (the "Company"), the Supervisory Committee and the Directors, Supervisors and senior management of the Company warrant that there are no material omissions from, or misrepresentation or misleading statements contained in this announcement, and jointly and severally accept full responsibility for the truthfulness, accuracy and completeness of the information contained in this summary of the interim report of the Group for the six months ended 30 June 2013 (the "2013 Interim Report"). This results announcement is published on the websites of the Hong Kong Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.cimc.com). This results announcement is a summary of the 2013 Interim Report and the full version of the 2013 Interim Report will be posted on the above websites in due course.

1.2 This summary of the 2013 Interim Report has been approved at the 6th meeting of the seventh session of the Board in 2013. All Directors warrant, and there is no dissenting opinion as to, the truthfulness, accuracy and completeness of this summary of the 2013 Interim Report. All Directors have attended the 6th meeting of the seventh session of the Board in 2013.

1.3 The financial statements of the Company and its subsidiaries (the "Group") have been prepared in accordance with China Accounting Standards for Business Enterprises ("CASBE"). The interim financial statements and notes ("financial statements") of the Group for the six months ended 30 June 2013 prepared in accordance with CASBE have not been audited.

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

1.5 Mr. Li Jianhong, Chairman of the Board, Mr. Mai Boliang, President of the Company, and Mr. Jin Jianlong, General Manager of the Financial Management Department of the Company, warrant the truthfulness and completeness of the financial statements in this announcement.

2 BASIC INFORMATION OF THE COMPANY

2.1 Company Information

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

2.2 Contact Persons and Means of Communication

Secretary to the Board, Company Secretary:	Yu Yuqun
Assistant Company Secretary:	Cheong Sui Fai
Contact Address:	CIMC R&D Centre, 2 Gangwan Avenue, Shekou, Nanshan District, Shenzhen, Guangdong 518067, PRC
Contact Telephone:	(86) 755-2669 1130
Facsimile:	(86) 755-2682 6579
Email Address:	shareholder@cimc.com
Representative of Securities Affairs:	Wang Xinjiu
Contact Address:	CIMC R&D Centre, 2 Gangwan Avenue, Shekou, Nanshan District, Shenzhen, Guangdong 518067, PRC
Contact Telephone:	(86) 755-2680 2706
Facsimile:	(86) 755-2681 3950
Email Address:	shareholder@cimc.com
Representative in Hong Kong:	Cheong Sui Fai
Contact Address:	3101-2 Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong
Contact Telephone:	(852) 2528 9386
Facsimile:	(852) 2865 9877
Email Address:	dickens.cheong@enric.com.hk

2.3 Basic Profile

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

3 SUMMARY OF ACCOUNTING DATA AND FINANCIAL INDICATORS

3.1 Key Accounting Data Prepared in Accordance with CASBE

During the six months started from 1 January 2013 and ended on 30 June 2013 (the "Reporting Period"), the Company did not make retrospective adjustments to or restate the accounting data of previous years due to changes in accounting policies and correction of accounting errors.

Unit: RMB thousand

Items	**The Reporting Period (January – June 2013)**	The corresponding period of last year (January – June 2012)	Changes from the corresponding period of last year to the Reporting Period *(%)*
Revenue	**28,585,158**	27,364,446	4.46%
Profit from operations	**1,117,169**	1,439,124	(22.37)%
Profit before income tax expense	**1,160,046**	1,493,051	(22.30)%
Income tax expense	**444,817**	485,373	(8.36)%
Profit for the period	**715,229**	1,007,678	(29.02)%
Attributable to:			
Equity holders of the Company	**551,972**	933,710	(40.88)%
Non-controlling interest	**163,257**	73,968	120.71%
Net profit attributable to shareholders of the Company after deducting non-recurring profit or loss	**513,212**	906,470	(43.38)%

Unit: RMB thousand

Items	**As at the end of the Reporting Period (30 June 2013)**	As at the end of last year (31 December 2012)	Changes from the end of last year to the Reporting Period *(%)*
Total current assets	**42,978,287**	38,346,189	12.08%
Total non-current assets	**25,792,033**	24,646,191	4.65%
Total assets	**68,770,320**	62,992,380	9.17%
Total current liabilities	**33,156,612**	25,540,032	29.82%
Total non-current liabilities	**12,759,756**	15,335,191	(16.79)%
Total liabilities	**45,916,368**	40,875,223	12.33%
Shareholders' equity	**22,853,952**	22,117,157	3.33%
Attributable to:			
Equity holders of the Company	**19,603,024**	19,513,176	0.46%
Non-controlling interest	**3,250,928**	2,603,981	24.84%
Share capital (thousand shares)	**2,662,396**	2,662,396	0.00%
Net cash flows from/(used in) operating activities	**(3,021,559)**	(2,107,043)	(43.40)%
Net cash flows from/(used in) investing activities	**(892,669)**	(1,785,683)	50.01%
Net cash flows from/(used in) financing activities	**2,924,851**	1,335,284	119.04%

3.2 Key Financial Indicators

Key Financial Indicators	**The Reporting Period (January – June 2013)**	The corresponding period of last year (January – June 2012)	Changes from the corresponding period of last year to the Reporting Period *(%)*
Basic earnings per share attributable to shareholders of the Company (RMB/share)	**0.2073**	0.3507	(40.88)%
Diluted earnings per share attributable to shareholders of the Company (RMB/share)	**0.2070**	0.3495	(40.77)%
Weighted average return on net assets (%)	**2.78%**	4.93%	(2.15)%
Weighted average return on net assets after deducting non-recurring profit or loss (%)	**2.59%**	4.92%	(2.33)%
Net cash flows from operating activities per share (RMB/share)	**(1.13)**	(0.79)	(43.04)%

	As at the end of the Reporting Period (30 June 2013)	As at the end of last year (31 December 2012)	Changes from the end of last year to the Reporting Period *(%)*
Net assets per share attributable to shareholders of the Company (RMB/share)	**7.36**	7.33	0.46%
Gearing ratio (%) *(Note)*	**66.77%**	64.89%	1.88%

Note: Calculation method for gearing ratio: calculated based on total liabilities divided by total assets of the Company at the respective dates

3.3 Non-recurring Profit or Loss Items and Amounts

Unit: RMB thousand

Item	**Amount**
Gains from disposal of non-current assets	(2,783)
Government grants recognised in profit or loss for the current period (except those closely related to the operation of the enterprise, for a fixed quota or for a fixed amount in accordance with national unified standards)	36,011
Except for the effective hedging activities related to the Company's ordinary activities, profit or loss arising from changes in fair value of financial assets and financial liabilities held for trading, and investment income from disposal of financial assets and financial liabilities held for trading and available-for-sale financial assets	32,496
Gains from debt restructuring	(20)
Other non-operating income/expenses other than the above items	5,255
Payment received from non-financial enterprises for using funds and recognised in profit or loss for the current period	3,121
Effect of income tax	(25,556)
Effect of minority interests (after tax)	(9,764)
Total	38,760

4 SHAREHOLDINGS

4.1 Number of Shareholders

As at the end of the Reporting Period, the number of shareholders of the Company was 146,641, including 3 holders of H Shares and 146,638 holders of A Shares, of which 146,640 were shareholders of shares without selling restrictions while 1 was shareholder of shares with selling restrictions.

Based on the public information available to the Company and as far as the Directors were aware, the minimum public float of the Company as at 30 June 2013 satisfied the requirements of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Hong Kong Listing Rules").

4.1.1 Shareholdings of the top ten Shareholders

Name of Shareholder (Full name)	Nature of shareholder	Type of shares	Shareholding percentage (%)	Total number of Shares held	Number of Shares with selling restrictions	Status of being pledged or frozen	
						Status of Shares	Number of shares
HKSCC NOMINEES LIMITED	Foreign legal person	H Shares	53.73%	1,430,480,309	–	–	–
COSCO CONTAINER INDUSTRIES LIMITED (中遠集裝箱工業有限公司)	Foreign legal person	A Shares	16.23%	432,171,843	–	–	–
China Merchants Bank Co., Ltd.– Everbright Pramerica Advantage Allocation Securities Investment Fund (招商銀行股份有限公司－光大保德信優勢配置股票型證券投資基金)	Domestic Non-state-owned legal person	A Shares	1.04%	27,762,496	–	–	–
New China Life Insurance Company Ltd. – Dividends – Personal Dividends – 018L-FH002 Shenzhen (新華人壽保險股份有限公司－分紅－個人分紅－018L-FH002深)	Domestic Non-state-owned legal person	A Shares	0.9%	23,903,176	–	–	–
Haitong Securities Co., Ltd. – Client Account of Collateral Securities for Margin Trading (海通證券股份有限公司客戶信用交易擔保證券賬戶)	Domestic Non-state-owned legal person	A Shares	0.48%	12,871,565	–	–	–
China Minsheng Banking Corp., Ltd. – Yinhua SZSE 100 ETF Classified Securities Investment Fund (中國民生銀行－銀華深證100指數分級證券投資基金)	Domestic Non-state-owned legal person	A Shares	0.44%	11,668,306	–	–	–
Bosera Value Growth Securities Investment Fund (博時價值增長證券投資基金)	Domestic Non-state-owned legal person	A Shares	0.4%	10,589,347	–	–	–

Name of Shareholder (Full name)	Nature of shareholder	Type of shares	Shareholding percentage (%)	Total number of Shares held	Number of Shares with selling restrictions	Status of being pledged or frozen: Status of Shares	Status of being pledged or frozen: Number of shares
Bank of China – E Fund SZSE 100 Index Tradable Open-Ended ETF Securities Investment Fund (中國銀行－易方達深證100交易型開放式指數證券投資基金)	Domestic Non-state-owned legal person	A Shares	0.4%	10,580,066	–	–	–
Guotai Junan Securities Co., Ltd. – Client Account of Collateral Securities for Margin Trading (國泰君安證券股份有限公司客戶信用交易擔保證券賬戶)	Domestic Non-state-owned legal person	A Shares	0.38%	10,079,653	–	–	–
PICC Life Insurance Company Limited – Dividends – Individual Insurance Dividends (中國人民人壽保險股份有限公司－分紅－個險分紅)	Domestic Non-state-owned legal person	A Shares	0.37%	9,783,809	–	–	–

4.1.2 Shareholdings of the top ten Shareholders without selling restrictions

Name of Shareholder	Number of shares without selling restrictions held at the end of the Reporting Period	Type of shares: Type of shares	Type of shares: Number of shares
HKSCC NOMINEES LIMITED	1,430,480,309	H Shares	1,430,480,309
COSCO CONTAINER INDUSTRIES LIMITED (中遠集裝箱工業有限公司)	432,171,843	A Shares	432,171,843
China Merchants Bank Co., Ltd. – Everbright Pramerica Advantage Allocation Securities Investment Fund (招商銀行股份有限公司－光大保德信優勢配置股票型證券投資基金)	27,762,496	A Shares	27,762,496
New China Life Insurance Company Ltd. – Dividends – Personal Dividends – 018L-FH002 Shenzhen (新華人壽保險股份有限公司－分紅－個人分紅–018L-FH002深)	23,903,176	A Shares	23,903,176
Haitong Securities Co., Ltd. – Client Account of Collateral Securities for Margin Trading (海通證券股份有限公司客戶信用交易擔保證券賬戶)	12,871,565	A Shares	12,871,565
China Minsheng Banking Corp., Ltd. – Yinhua SZSE 100 ETF Classified Securities Investment Fund (中國民生銀行－銀華深證100指數分級證券投資基金)	11,668,306	A Shares	11,668,306
Bosera Value Growth Securities Investment Fund (博時價值增長證券投資基金)	10,589,347	A Shares	10,589,347
Bank of China – E Fund SZSE 100 Index Tradable Open-Ended ETF Securities Investment Fund (中國銀行－易方達深證100交易型開放式指數證券投資基金)	10,580,066	A Shares	10,580,066

Name of Shareholder	Number of shares without selling restrictions held at the end of the Reporting Period	Type of shares Type of shares	 Number of shares
Guotai Junan Securities Co., Ltd. – Client Account of Collateral Securities for Margin Trading (國泰君安證券股份有限公司客戶信用交易擔保證券賬戶)	10,079,653	A Shares	10,079,653
PICC Life Insurance Company Limited – Dividends – Individual Insurance Dividends (中國人民人壽保險股份有限公司－分紅－個險分紅)	9,783,809	A Shares	9,783,809
Explanation on the affiliated relationships or acting in concert relationships among each of the aforesaid top ten Shareholders of shares without selling restrictions, and between the top ten Shareholders of Shares without selling restrictions and the top ten Shareholders	Nil		

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

As far as the Directors are aware, as at 30 June 2013, the persons (other than a Director, Supervisor or chief executive of the Company) who had interests or short positions in the shares and underlying shares of the Company which are required to be disclosed to the Company pursuant to Section 2 and 3 of Part XV of the SFO of Hong Kong are as follows:

Name of shareholder	Type of shares held	Number of shares (share)	Capacity	Percentage of such shares in the same class of the issued share capital (%)	Percentage of total issued share capital (%)
China Merchants Group Limited [1]	H Shares	679,927,917 (L)	Interest of Corporation Controlled by the Substantial Shareholder	47.53	25.54
China Ocean Shipping (Group) Company ("COSCO") [2]	A Shares	432,171,843 (L)	Interest of Corporation Controlled by the Substantial Shareholder	35.08	16.23
	H Shares	173,642,143 (L)	Interest of Corporation Controlled by the Substantial Shareholder	12.14	6.52
Hony Capital Management Limited[3]	H Shares	137,255,434 (L)	Interest of Corporation Controlled by the Substantial Shareholder	9.60	5.16
Templeton Asset Management Ltd.	H Shares	129,086,286 (L)	Investment manager	9.02	4.85

(L) Long position

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

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

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

As at 30 June 2013, as far as the Directors were aware, save as disclosed above, no other person (other than a Director, Supervisor or chief executive of the Company) had any interest or short position in the shares of the Company recorded in the register of interests in shares and short positions required to be kept by the Company pursuant to Section 336 of the SFO of Hong Kong.

4.3 Information on Substantial Shareholders, Controlling Shareholders and the Actual Controller

4.3.1 Change of controlling shareholders during the Reporting Period

There is no controlling shareholder of the Company.

4.3.2 Change of actual controller during the Reporting Period

There is no actual controller of the Company.

4.3.3 Substantial Shareholders

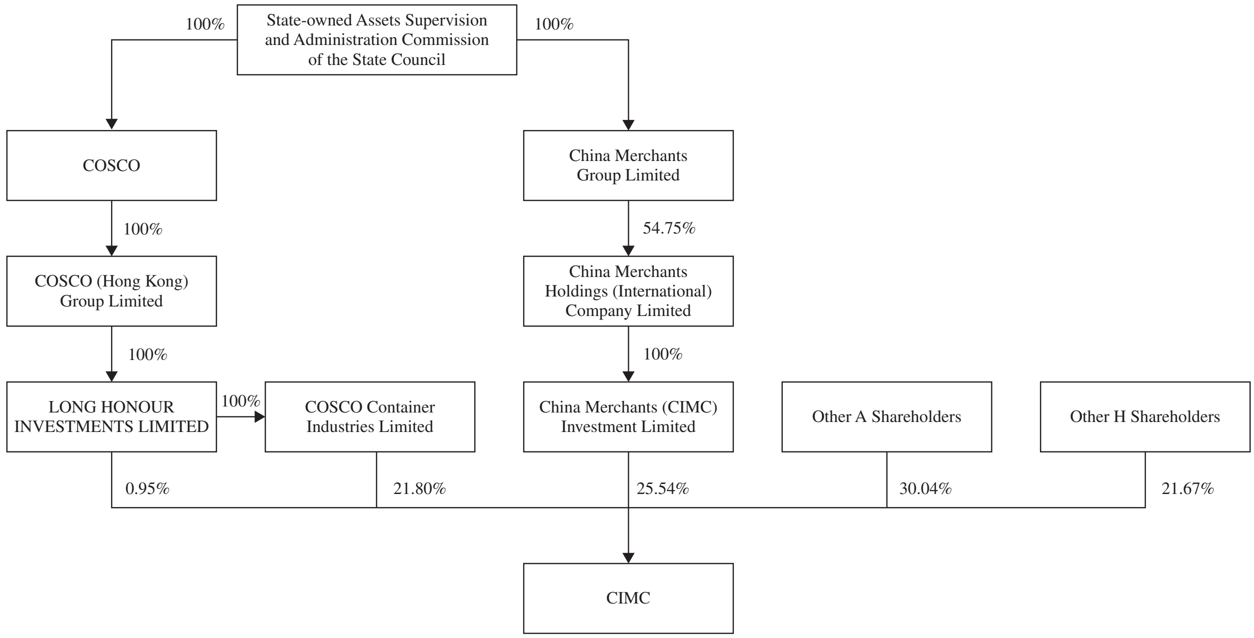
The substantial shareholders of the Company are China Merchants Group Limited and COSCO.

China Merchants Group Limited was incorporated on 14 October 1986 in the PRC with limited liability. Its registered capital is RMB10.05 billion and its legal representative is Fu Yuning. Its three core business sectors focus on the construction, operation and service in respect of transportation and related infrastructure (ports, toll roads, energy transportation and logistics), financial investment and management, property development and management.

COSCO was incorporated on 27 April 1961 in the PRC with limited liability. Its registered capital is RMB4,103.367 million and its legal representative is Wei Jiafu. COSCO is an international company with businesses covering marine transportation, logistics terminals, ship building and repairing.

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

4.3.4 The equity interest structure between the Company and the substantial Shareholders



5 MANAGEMENT'S DISCUSSION AND ANALYSIS

5.1 Overview of Operating Results during the Reporting Period

Impacted by the global macro-economic conditions, the Group's business confronted with substantial pressure and challenges from January to June 2013. The Group's revenue slightly increased compared with the same period last year, but net profit declined substantially compared with the same period last year. From January to June 2013, the Group's revenue amounted to RMB28,585 million, representing an increase of 4.46% compared with the same period last year and its net profit attributable to equity holders of the Company amounted to RMB552 million, representing a decrease of 40.88% compared with the same period last year, mainly due to the decrease in consolidated gross profit margin of the Group's businesses and the increase in costs including financial expenses against the overall challenging economic environment during the Reporting Period.

5.2 Analysis of Principal Operations during the Reporting Period

Year-on-year changes in key financial data

Unit: RMB thousand

Items	The reporting period (January – June 2013)	The corresponding period of last year (January – June 2012)	Changes from the corresponding period of last year to the Reporting Period (%)
Revenue	**28,585,158**	27,364,446	4.46%
Cost of sales	**24,160,416**	23,013,597	4.98%
Selling and distribution expenses	**921,175**	863,756	6.65%
General and administrative expenses	**1,714,217**	1,655,709	3.53%
Financial expenses	**454,826**	236,439	92.37%
Income tax expenses	**444,817**	485,373	(8.36)%
Technology development costs	**126,942**	95,105	33.48%
Net profit attributable to equity holders of the Company	**551,972**	933,710	(40.88)%
Net cash flows from operating activities	**(3,021,559)**	(2,107,043)	(43.40)%
Net cash flows from investing activities	**(892,669)**	(1,785,683)	50.01%
Net cash flows from financing activities	**2,924,851**	1,335,284	119.04%
Net (decrease)/increase of cash and cash equivalents	**(1,164,186)**	(2,658,816)	56.21%

Financial expenses

During the Reporting Period, the Group's financial expense amounted to RMB454.826 million, representing an increase of RMB218.387 million compared with RMB236.439 million in the same period of 2012, or an increase of approximately 92.37%, which was mainly due to the increase in exchange loss resulting from the changes of foreign exchange rates during the Reporting Period.

Technology development costs

During the Reporting Period, the Group's technology development costs amounted to RMB126.942 million, representing an increase of RMB31.837 million compared with RMB95.105 million in the same period of 2012, or an increase of approximately 33.48%, which was mainly due to the Group's increased efforts in technology research and development.

Net profit attributable to equity holders of the Company

During the Reporting Period, the Group's net profit attributable to equity holders of the Company amounted to RMB551.972 million, representing a decrease of RMB381.738 million compared with RMB933.710 million in the same period of 2012, or a decrease of approximately 40.88%, which was mainly due to the decrease in consolidated gross profit margin of the Group's businesses and the increase in costs including financial expenses against the overall challenging economic environment during the Reporting Period.

Net cash flows from operating activities

During the Reporting Period, the Group's net cash outflows from operating activities amounted to RMB3,021.559 million, representing an increase of RMB914.516 million compared with RMB2,107.043 million in the same period of 2012, or an increase of approximately 43.40%, which was mainly due to increased occupation of working capital as a result of the fact that the Group was in relatively peak season of production and operation in the second quarter during the Reporting Period.

Net cash flows from investing activities

During the Reporting Period, the Group's net cash outflows from investing activities amounted to RMB892.669 million, representing a decrease of RMB893.014 million compared with RMB1,785.683 million in the same period of 2012, or a decrease of approximately 50.01%, which was mainly due to less cash payment for the Group's investment during the Reporting Period.

Net cash flows from financing activities

During the Reporting Period, the Group's net cash inflows from financing activities amounted to RMB2,924.851 million, representing an increase of RMB1,589.567 million compared with RMB1,335.284 million in the same period of 2012, or an increase of approximately 119.04%, which was mainly due to the Group's financing activities to satisfy the increased fund requirements of the Group's operating activities during the Reporting Period.

Net cash and cash equivalents

During the Reporting Period, the Group's net decrease of cash and cash equivalents amounted to RMB1,164.186 million, representing a decrease of RMB1,494.630 million compared with RMB2,658.816 million in the same period of 2012, or a decrease of approximately 56.21%.

5.3 Segment Results

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

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

Container Manufacturing Business

The Group's container business mainly involves standard dry containers, standard reefer containers and special containers. The special container business primarily includes the modularized construction products and products such as 53-foot containers for inland transport in North America, European pallet-wide containers, bulk containers, special reefer containers and flatrack containers.

In the first half of 2013, given the slow recovery of European and American economies and the insufficient shipping demand due to cyclical industrial factors, the container industry performed slightly below expectation with a small increase in overall capacity across the industry, though the overall capacity utilization was only around 50% and the market share of each manufacturer remained stable in general. Due to the increased off-season orders during the traditional slack season, the peak season delivered no peak performance.

In the first half of 2013, the total sales of the Group's ordinary dry containers were 641,500 TEUs, representing a year-on-year increase of 15.01% (the first half of 2012: 557,800 TEUs). The total sales of reefer containers were 49,400 TEUs, representing a year-on-year decrease of 39.39% (the first half of 2012: 81,500 TEU). The total sales of special containers were 30,800 units, representing a year-on-year decrease of 6.67% (the first half of 2012: 33,000 units). In the first half of 2013, affected by market factors such as the overall weak demand, declining price of reefer containers and fluctuation in the price of dry cargo containers within a narrow range at a low level as well as the decline in gross profit margin, the container segment recorded revenue of RMB12,314.928 million, representing a year-on-year decrease of 9.92% and the net profit was RMB410.226 million, representing a year-on-year decrease of 48.73%.

In the first half of the year, the Group continued to push forward the optimisation of production allocation of standard containers and endeavoured to promote the efficiency of production lines of containers and the design and research and development of new types of containers. The Group completed the phase one construction of the factory of CIMC Taicang Refrigeration Equipment Logistics Co., Ltd., and part of the phase one construction of production lines of Qingdao CIMC Reefer Container Manufacture Co., Ltd.. In respect of special container and modularized construction products businesses, the Group strengthened the competitiveness of the core products in a comprehensive manner, and consolidated the leading position of existing mainstream products, so as to enhance the market share.

By adopting a business model of "integrated design, factory manufacturing and on-site installation", the Group's modularized construction products business enjoyed a promising growth potential due to advantages including quick transferability, fast building, zero pollution and recyclability which are in line with the new concept of environmental protection and the new industry development trend. In April 2013, the container-based hospital donated by the Company to the Ya'an earthquake-stricken area was put into operation quickly. The Group has possessed the ability of independent design and proprietary intellectual property rights in respect of modularized construction products and participated in the preparation of the national standard "Technical Specifications for Modularized Container Housing", which was approved in April 2013 by relevant governmental authorities to be included in the standards series of China Construction Association.

Road Transportation Vehicle Business

With a strategic vision of "relying on domestic competitive strengths to offer global customers first-class land logistics equipment and services", CIMC Vehicle (Group) Co., Ltd. ("CIMC Vehicle Group"), a subsidiary of the Company, adheres to the strategic development of the full value chain businesses including the design and development of products, manufacturing and delivery of products, sales and services, customer tracking and feedback and others. Currently, it has established a special vehicle family consisting of 10 series and more than 1,000 models, including container semi-trailers, flatbed/staked-side semi-trailers, low-flatbed semi-trailers, vehicle loaded semi-trailers, stake trucks, van trucks, tank trucks, tipping trucks, sanitation trucks and special vehicles. These products cover major domestic and international markets.

In the first half of the year, the demand from semi-trailers in logistics industry underwent a weak demand due to the slowdown in domestic economic growth and tightened capital. The demand from engineering modified vehicles revived to some extent as a result of the expected impact from the tightened emission standards implemented by the government and the larger-than-expected impact from the real estate recovery. In overseas market, orders from emerging market increased rapidly. While its market position in North America remained stable, and the Group began to enter in the European market. The year of 2013 was also the first year for the mass production of Silvergreen, a new type of semi-trailer, which posted a loss during the Reporting Period.

Under the abovementioned domestic and overseas economic and industrial circumstances, our vehicle segment recorded a slight decrease in operating revenue, while the product sales remained a steady trend. Except for dump trucks and logistics semi-trailers, the sales of major products either increased or remained the same as compared with the same period of last year. The total sales of road transportation vehicles were 53,000 units (sets) in the first half of 2013, representing a year-on-year decrease of 0.33%. The sales revenue was RMB6,673.349 million, representing a year-on-year decrease of 2.17% and the net profit was RMB390.164 million, representing a year-on-year increase of 353.54%, which was mainly due to the increase in investment gains as a result of the sale of shares of CIMC Enric Holdings Limited ("CIMC Enric") held by it during the Reporting Period.

In the first half of 2013, our vehicle segment continued to implement a steady operation strategy and the investment focused on technology upgrades and construction of the marketing network. The segment distributed high value-added new products in the mature distribution system and regional markets and deepened the cooperation with major customers, and achieved breakthroughs in the orders from emerging markets; the segment accelerated the construction of Burg Silvergreen (BSG) factory in Germany, pushed forward the cost improvement scheme, and gradually establish and improve the European BSG components supply system in China; the segment continued to take various measures to adjust product structure and optimize cost, so as to reduce losses and improve cost efficiency; the segment initialised the research and development project of advanced tipping trucks modules which targeted markets covering China and Europe as well as development projects for two products including advanced van trailer for logistics and advanced semi-trailer for transportation, which targeted the PRC market; the segment also continued to push forward the subsequent construction of the Chengdu Logistics Park project.

In the first half of 2013, benefiting from the surging market demand from natural gas-fired heavy trucks, C&C Trucks Co., Ltd. ("C&C Trucks"), an associate 45% owned by the Company, recorded a notable year-on-year increase in sales volume with revenue amounting to RMB873 million in the first half of 2013, which however incurred losses. C&C Trucks continued to develop medium and heavy trucks and lightweight products with an aim to reduce product weight and improve the sales of tractor trucks, while continuing to vigorously develop LNG heavy truck products and launch competitive series of medium and heavy trucks. In the first half of 2013, C&C Trucks initiated the first 13-liter engine for LNG heavy trucks and the hybrid 6K13N natural gas-fired engine has met the National V Emission Standard. In July 2013, 15 units of 6x4 heavy tipping trucks and 5 units of 6x4 heavy tractor trucks were delivered to Bolivia. It is also the first time for its trucks to export in bulk to the international market.

Energy, Chemical and Food Equipment Business

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

Driven by the increasing demand for natural gas and special gas storage and transportation equipment from the world, most notably in China, the energy equipment business continued its robust growth in the first half of 2013 and the demand for tank containers, a major product line of the chemical equipment business, was also improved. Amid the improving business environment for the liquid food equipment business, the acquisition of certain assets from Ziemann Group in Germany also expanded the product family of CIMC Enric. Therefore, in the first half of 2013, our energy, chemical and food equipment business recorded revenue of RMB5,565.543 million, representing a year-on-year increase of 23.11% and the net profit was RMB391.627 million, representing a year-on-year increase of 52.56%. Among which, the revenue from energy (natural gas) equipment business of CIMC Enric was RMB2,521.843 million, representing a year-on-year increase of 26.11%; the revenue from chemical equipment business was RMB1,507.202 million, representing a year-on-year increase of 5.37%; and the revenue from liquid food equipment business was RMB799.876 million, representing a year-on-year increase of 100.50%. In particular, the liquid food equipment business recorded a substantial growth in turnover due to the exploration in emerging markets coupled with the contribution from Ziemann International GmbH.

The promising prospects of LNG storage and transportation equipment were further confirmed by the latest natural gas utilization policy promulgated by the National Development and Reform Commission. During the past two years, CIMC Enric has taken the lead to carry out a series of projects to expand production capacity of energy equipment, allowing it to capture the opportunities from the increasing demand for CNG/LNG storage and transportation equipment fuelled by the accelerating consumption of natural gas. In the first half of 2013, CIMC Enric carried forward the capacity expansion campaign for natural gas-filling station systems and LNG cylinders for vehicles to cater for the strong demand from the booming natural gas vehicle (NGV) industry in China. The capital expenditures were mainly used in production capacity expansion of LNG cylinders for vehicles in Zhangjiagang and Shijiazhuang, as well as further expansion of production capacity for natural gas-filling station systems in Langfang.

In the first half of 2013, TGE Gas Engineering GmbH ("TGE GAS"), a gas engineering company in which the Company holds 60% equity interest, made strenuous efforts to explore the market, optimize project management and reduce costs so as to improve profitability. During the first half of the year, as some of the new projects of TGE GAS were still at the beginning stage, the upfront income recognized was minimum. In the first half of the year, the EPC projects including No. 4 tank farm project for the LNG receiving terminal of Guangdong Dapeng LNG Company Limited ("No.4 Tank Farm Project of Guangdong Dapeng") and the storage tank project for the LNG receiving terminal of CNOOC Shenzhen Natural Gas Co., Ltd. ("CNOOC Shenzhen Diefu Project") undertaken by the consortium comprising TGE GAS and SINOPEC Ningbo Engineering Company Limited were under smooth progress. These two projects were located in Dapeng Bay, Shenzhen city. The No.4 Tank Farm Project of Guangdong Dapeng was to build a LNG storage tank with a capacity of 160,000 cubic meters, while the CNOOC Shenzhen Diefu Project was one of the 175 key construction projects of Guangdong Province with an aim to develop into a province with powerful marine economic strength, comprising four LNG storage tanks with a capacity of 160,000 cubic meters each and the ancillary gas facilities. Both projects are scheduled to be completed in 2015.

In the first half of this year, TGE GAS further enhanced the post-acquisition integration with TECHNODYNE INTERNATIONAL COMPANY LTD., an UK professional design company of cryogenic tanks, and the collaboration and business exploration with Nanjing Yangzi Petrochemical Design Engineering Company Ltd. ("YPDI"), a majority-owned subsidiary of the Company. The full containment concrete cryogenic ethylene storage tank project in Ningbo with a capacity of 20,000 cubic meters which was jointly contracted and designed by TGE GAS and YPDI had been successfully delivered, while the full containment concrete ethylene storage tank project in Yangzhou Aoke with a capacity of 50,000 cubic meters was under construction, and the project of Xinpu Chemical (Taizhou) Co., Ltd. comprising the cryogenic ethylene tank project of with a capacity of 30,000 cubic meters and the ancillary facilities was basically completed. TGE GAS and YPDI cooperated to further explore the field of cryogenic LNG receiving terminal/storage tanks. Currently, the LNG storage tank project with a capacity of 30,000 cubic meters in Jincheng Huagang jointly undertaken by both parties was under smooth progress.

Furthermore, the acquisition of certain assets from Ziemann Group in Germany has benefited CIMC Enric in R&D in relation to the one-stop turnkey solutions for processing and of liquid foods so as to provide an access to broader resources and advanced technologies.

On 7 May 2013, the Group through its wholly-owned subsidiary China International Marine Containers (Hong Kong) Limited ("CIMC Hong Kong") converted 495,000,000 preference shares in CIMC Enric into its ordinary shares. Upon completion of such conversion, the Group indirectly held 1,322,335,645 ordinary shares in CIMC Enric, representing 70.14% of its issued ordinary shares.

Offshore Engineering Business

We are one of the leading offshore engineering equipment manufacturers in China and have been participating in the competitive international market of offshore engineering business all the time. Our major products include Jack-up Drilling Platforms, Semi-submersible Drilling Platforms, and auxiliary vessels for offshore engineering projects.

In the first half of 2013, the offshore engineering business of the Group recorded sales revenue of RMB1,519.799 million, representing a year-on-year increase of 22.09%. It incurred a net loss of RMB195.473 million, representing a year-on-year increase of 32.87%. The substantial increase in revenue was mainly due to the fewer projects under construction in the same period last year, most of which were previously unqualified for revenue recognition due to their progress in initial construction. In the first half of 2013, except that several self-constructed projects realised a sales revenue, the number of projects commenced initial construction increased. Moreover, the Jack-up Drilling Platform and the Semi-submersible Drilling Platform entered the mid or late construction stages, resulting in part of recognized revenue. However, loss in the first half of the year increased as compared with that of the corresponding period of last year, which was due to the fact that the revenue recognized in the first half of the year was insufficient to cover operating expenses because most of our orders on hand were secured in the second half of 2012 and thus construction of the projects were commenced at a relatively late time, coupled with an increase in finance costs.

Since 2013, the development of our offshore engineering business has continued to benefit from a favourable policy environment. The national industrial policies have begun to lend substantive funding and project support so as to push forward the industrialization and to expedite the mergers and restructuring of major offshore engineering and shipbuilding enterprises in future. According to the Notice on Organization and Implementation of the 2013 Offshore Engineering Equipment Research and Development and Industrialization Program issued by the National Development and Reform Commission in February 2013, three categories of 12 offshore engineering equipment products were clearly included as products with special national support, including major offshore engineering equipment and ancillary equipment and systems, new offshore engineering equipment, and key offshore engineering underwater equipment. At the instruction of the national policies, the Group is expected to further reinforce its proprietary design and construction capabilities for the existing offshore engineering product lines, and gain official recognition and strong supports to its attempts on domestically manufactured key equipment.

As at 30 June 2013, CIMC Raffles Offshore (Singapore) Limited ("CIMC Raffles"), a wholly-owned subsidiary of the Group, already delivered 6 deepwater Semi-submersible Drilling Platforms which officially commenced operation in the waters of North Sea of Norway, Brazil and other regions, with good functionality and normal operation. COSLpioneer, the first domestically manufactured deepwater Semi-submersible Drilling Platform delivered by CIMC Raffles, ranked among the forerunners for many times in terms of comprehensive strengths among over 30 drilling platforms of Statoil operating in the North Sea, and was named "Platform of the Month". CIMC Raffles has established a reputable brand image in the North Sea market in Europe, winning the attention and recognition of major international customers. Currently, 10 Jack-up Drilling Platforms of CIMC Raffles were delivered and under construction, including "Caspian Driller", a Jack-up Drilling Platform delivered in October 2012 in Astrakhan, Russia which is the first overseas high-end offshore engineering EPC project undertaken by a Chinese enterprise. SSCV 1# and SSCV 2#, two deepwater semi-submersible lifting platforms which are independently designed, through research and development, and constructed by CIMC Raffles, reached the delivery stage and are expected to be delivered to the customer in the second half of 2013.

The project on four deepwater and super deepwater Semi-submersible Drilling Platforms under construction was in smooth progress. In June 2013, the North Dragon deepwater Semi-submersible Drilling Platform for North Sea of North Sea Rigs As (NSR) commenced construction, which will serve the North Sea and Barents Sea Oilfields, Norway. The Jack-up Drilling Platform built for Sinopec Shengli Oilfield Construction Limited, named "New Shengli #1" commenced construction and is expected to be completed by the end of March 2014, and it will be used for oil and gas development in Bohai Bay area.

In respect of expansion of our markets and customers, CIMC Raffles continued to focus on the Semi-submersible Platform and Jack-up Platform markets, endeavoured to reinforce the expansion of major international and domestic customers, and aimed to strengthen the market exploration of high-margin products in the first half of 2013. CIMC Raffles has received bid invitations for certain projects from Technip, the world's largest offshore engineering company, and Ensco, the world's second-largest drilling services company. As at 30 June 2013, CIMC Raffles had certain orders in respect of four Semi-submersible Drilling Platforms which secured the largest market share in the domestic market.

In terms of international market, CIMC Raffles and Frigstad Offshore Pte Ltd, a subsidiary of Frigstad Deepwater Ltd, signed an EPC contract of 2+4 ultra-deep water Semi-submersible Drilling Platforms in January 2013. Such drilling platform was the 7th generation developed by Frigstad Engineering Company. The confirmed two platforms are expected to be delivered in the fourth quarter of 2015 and the second quarter of 2016.

In terms of domestic market, CIMC Raffles achieved breakthrough in obtaining orders from PetroChina and SinoPec, among which the effective orders including the construction of six Jack-up Platforms and the reconstruction of one Jack-up Platform. In April 2013, CIMC Raffles won the bid for the "New Shengli #1" Jack-up Drilling Platform of Sinopec Shengli Oilfield Construction Limited, which marked the first winning bid since the signing of the strategic cooperation agreement on supply between CIMC Raffles and SinoPec in 2012.

In the first half of the year, CIMC Raffles accelerated the enhancement of its research and design capabilities and project management capabilities through optimizing the production of large-sized module and summarizing the experience on mass production of drilling platforms. With the help of the so-called "innovation platform" of CIMC Offshore Research Institute, CIMC Raffles integrated the key enterprises in the industry and educational and research institutions in the process of innovation. By designing jointly with internationally renowned design companies in the deep water area, it endeavored to promote the jointly designed products to enter the mainstream of global markets. CIMC Raffles cooperates with Transocean, the world's largest drilling services company, to develop new products. The cooperation with Technip has also improved the QHSE level. Moreover, it has established strategic cooperation with major international suppliers such as Siemens and NOV.

Airport Facilities Equipment Business

The Group's airport facilities business mainly includes passenger boarding bridges, air cargo handling systems, ground services equipment (GSE) (shuttle buses), and vertical car parking spaces, logistics products and related services.

Given the nature of the Group's airport facilities business, following the completion of production of certain products in the first half of a year, most of the field installation and delivery work is typically completed in the second half. Therefore, sales revenue and profit are generally realized in the second half of each year.

In the first half of 2013, Shenzhen CIMC-Tianda Airport Support Co., Ltd. ("CIMC Tianda"), a 70%-owned subsidiary of the Company, sold 79 sets and produced 140 sets of passenger boarding bridges. Airport facilities equipment business recorded sales revenue of RMB225.451 million, representing a year-on-year increase of 227.11%. Its net loss was RMB14.689 million, decreasing by approximately 54.35% as compared with the loss for the same period last year. The substantial increase in revenue was mainly due to the good sales performance in passenger boarding bridges in the first half of 2013, as well as the lower base of last year. The loss was mainly due to the fact that certain products manufactured in the first half of the year had not been sold out and the expenses also incurred during the period.

The Group remained positive about the growing demand of passenger boarding bridges business. The Group continued to expand the international market, and obtained orders from Togo, Mayotte and Nigeria for the first time in the first half of the year. With sufficient orders, CIMC Tianda's market position remained stable. In the next few years, it is expected that the automatic logistics equipment market in China would maintain a growth of 20%. The Group accelerated its penetration in the automatic logistics equipment market by establishing Shenzhen CIMC Tianda Logistics System Engineering Co., Ltd. on 18 April 2013. The company received a great number of orders in the first half of the year, marking a new penetration in the automobile and pharmaceuticals industries. In terms of airport GSE business, the overall business of shuttle bus developed smoothly, and the research and development of bi-directional airport shuttle buses was successfully completed and such products have been sold to Hong Kong and Australia. The Group was also exploring market of other airport special vessels. The domestic market demand for three dimensional car parking spaces remained relatively high, thus the current business model achieved noticeable results and the orders remained strong, and the largest order for intelligent three dimensional car parking spaces in China in this year was obtained. The Group also expanded into the business of airport baggage handling systems through acquisition. In August 2012, it purchased 14.99% equity interests in Pteris Global Limited ("Pteris", a company listed on the Main Board of the Singapore Exchange Limited, stock code: J74), becoming its single largest shareholder. On 30 July 2013, the Company announced to inject its 70% equity interests in

CIMC Tianda into Pteris and as consideration, Pteris would issue new shares to the Company. The transaction amount will be approximately RMB486.331 million. Upon completion of the transaction, the Company's shareholding in Pteris will increase from 14.99% to 63.88% if no adjustment mechanisms are triggered. By means of coordination and integration, the Company's investment in Pteris will further develop its business with competitive edge such as airport baggage handling system, global airport logistics management system and international airline catering management system, with an emphasis on high-end technologies such as logistics sorting and system integration, so as to seize the opportunities in the development of domestic and international civil aviation markets.

Other Principal Businesses

Logistics service and equipment manufacturing business

The Group is committed to offering comprehensive logistic solution and specialized logistic equipments for customers in different industries. The Group has a container stack yard service network across the nation which provides container services such as shipping agency, freight forwarding, logistics and transportation, repairment, storage, and the sales, leasing, refurbishment and repackaging of secondhand containers. In the first half of 2013, with the consolidation of the results of the newly acquired Zhenhua Logistic Group Co., Ltd. ("Zhenhua Group") on 1 April 2013, the operating income from our container services business amounted to RMB1,489.343 million, and its net profit was RMB34.571 million. The Group provides logistic services based on its standardized logistic appliances, which offers transportation service solutions regarding finished automobiles based on special containers, logistic service solutions regarding logistic of liquid based on IBC containers, logistic service solutions regarding transportation of automobiles based on pallet boxes as well as pallet leasing and repairing services. The logistic equipment products of the Group mainly comprise of the pallet containers for vehicle, logistics, food, chemical and agricultural purposes, and the intermediate bulk container (IBC) made of stainless steel for chemical and food usage, as well as specialised logistic equipment. Our main manufacturing bases are located in Dalian, Tianjin, Foshan and Wuhu. In the first half of 2013, the Company sold 370,000 units (sets) of logistics equipment, representing a decrease of 9.76% from 410,000 units (sets) for the same period last year. The sales revenue was RMB671.042 million, representing a year-on-year decrease of 3.01%. In addition, the Company recorded a net profit of RMB32.778 million, representing a decrease of approximately 28.42% as compared with the corresponding period of the previous year, which was primarily due to the lower selling price and gross profit margin as a result of market competition and fluctuation of exchange rate of JPY.

The Group proactively developed innovative businesses in the trade and financial services of container logistics and container services throughout the whole life span of containers, and sought new business opportunities arising in the upgrading of coastal industries, the development of Central and Western China, urbanization, energy conservation and emission reduction, as well as the development of recycling economy. On 6 March 2013, the Group acquired 36.78% equity interests in Zhenhua Group. After the transaction, the Group held 75% equity interests in Zhenhua Group, thus Zhenhua Group became the Group's subsidiary from 1 April 2013. With its headquarter located in Tianjin, Zhenhua Group is mainly engaged in logistics and transportation business. This transaction will strengthen the competitiveness of the Group in terms of comprehensive logistics services.

Due to multiple factors such as the dramatic depreciation of Japanese Yen and the slowdown in domestic economic growth, the logistic appliances business in major overseas markets recorded a depressed demand, while selling prices decreased and costs hiked. However, the automobile industry in the domestic market maintained a growth of over 10%, automobile export continued to increase, leading to the demand growth for logistic appliances. China-manufactured commercial vehicles and construction machinery products enjoyed considerable competitiveness and demand in overseas emerging markets. From a long-term perspective, this is favorable for the development of artery logistics based on self-owned equipment and the growth of the Group's domestic logistics services business. In February 2013, Shenzhen South CIMC Logistics Limited, the Group's subsidiary, and Shenzhen Xinhe Cheng Supply Chain Management Co., Ltd. set up a joint venture Shenzhen CIMC New Process of Automobile Supply Chain Management Company Limited, in which the Group holds 60% equity interests. The principal business of the joint venture is automobile supply chain management.

Real estate development business

In first half of 2013, there was no fundamental change in the macro control policies relating to the real estate industry in China, the accumulated effects continued and the market pressure remained relatively high. In the first half of the year, Shenzhen CIMC Real Estate Development Co., Ltd. (深圳市中集地產發展有限公司), a subsidiary of the Group, continued to push forward the construction and sales of projects in Yangzhou, Zhenjiang, Jiangmen and Yangjiang as planned, and carried out the early stage preparations for the project of CIMC Innovation Industrial Park in Songshan Lake of Dongguan (東莞松山湖中集創新產業園), and the projects in Longhua of Shenzhen and Kunshan of Jiangsu Province. During the Reporting Period, the Group's real estate business recorded contracted income from sales of commercial housing of RMB873.47 million, representing a year-on-year increase of 2.5 times. In addition, this segment also realized an income from preselling activities of approximately RMB1.1 billion. Since the recognition and delivery of the developed projects this year were concentrated in the second half of the year, during the Reporting Period, the segment recorded revenue of RMB173.754 million and loss of RMB3.086 million.

The Group owns a parcel of land for industrial use with an area of 524,200 square meters in Qianhai Shenzhen-Hongkong Modern Service Industry Cooperation Zone of Shenzhen ("Qianhai Cooperation Zone"). In the first half of the year, the Company carried out in-depth communications with Shenzhen Government and Authority of Qianhai Cooperation Zone in respect of the future development of the land, and initially received recognition and support from the government, although no concrete development plan has been reached yet. The Company will actively participate in the future development and construction of Qianhai in accordance with the requirements of the overall plan formulated for Qianhai, with a view to make new contributions for the development of Qianhai and embody the Company's new value. In addition to Qianhai Zone of Shenzhen, the Group holds land reserves or industrial land parcels the use of which are expected to be changed into commercial development in various regions including Shekou and Pingshan (in Shenzhen), Songshan Lake (in Dongguan), Yangjiang (in Guangdong), Qingdao (in Shandong), Yangzhou and Zhenjiang (in Jiangsu) and Baoshan (in Shanghai).

Railway equipment manufacturing business

Affected by a number of adverse factors including the domestic economic slowdown and weak demand as well as insufficient production orders of the Company which led to an averagely low rate of operation, the Group's railway equipment manufacturing business recorded revenue of RMB35.613 million during the Reporting Period, representing a decrease of approximately 72.85% as compared with the same period of the previous year, and loss of RMB19.497 million, representing an increase of approximately 235.46% as compared with the loss of the same period of the previous year.

Financial business

In respect of financial business, the Group took an overall approach to enhance the efficiency and effectiveness of its internal capital utilization and assist itself to realize its objectives in industrial strategic development, industrial restructuring and market competition, and was devoted to the establishment of a financial service system which matches its role as a world leading manufacturer, so as to become a profit growth point of the Group. The main operating subsidiaries consist of CIMC Financing and Leasing Co., Ltd. and CIMC Finance Company Ltd. In the first half of 2013, the segment recorded revenue of RMB210.062 million and net profit of RMB96.448 million, representing a decrease of 8.31% and an increase of 15.47% respectively compared with the same period of last year.

In the first half of the year, CIMC Financing and Leasing Co., Ltd. achieved breakthrough in terms of significant projects and investment, endeavored to complete the container leasing project with CMA CGM, and vigorously developed the business of offshore engineering leasing and vehicle leasing through resource integration, which resulted in significant development in the project of Jack-up Drilling Platform of CIMC Raffles. By establishing Qianhai Leasing Company, it actively explored new business opportunities, innovated and improved the business model of modularized building leasing.

In the first half of the year, by establishing highly efficient operation system, CIMC Finance Company Ltd. further improved its governance flow and the base management of human resources, while promoting the three core capabilities of innovation, marketing and risk management and fostering the four business focuses on foreign exchange, supply chain financing, notes and intermediary business. Through centralized management and efficient operation on the capital pool of the Group, CIMC Finance Company Ltd. supported the strategic investment of the Group and its significant projects, leading to a further enhancement of efficiency in capital utilization. In June 2013, CIMC Finance Company Ltd. was approved to enter the domestic interbank lending market and the business of cross-border RMB settlement for members of the Group. With the approval by the People's Bank of China, the system of electronic commercial bills went online. All these new financial instruments expanded the channels of short-term capital investment and financing for CIMC Finance Company Ltd., which further enhanced the efficiency of capital utilization and improved the quality of financial service.

5.4 Composition of Principal Businesses

5.4.1 By industry and by product

Unit: RMB thousand

By industry or by product	Revenue during the Reporting Period	Cost of sales during the Reporting Period	Gross profit margin during the Reporting Period (%)	Changes in revenue from the corresponding period of last year (%)	Changes in cost of sales from the corresponding period of last year (%)	Changes in gross profit margin from the corresponding period of last year (%)
By industry						
Container	12,314,928	10,654,483	13.48%	(9.92)%	(8.70)%	(1.16)%
Road transportation vehicle	6,673,349	5,699,538	14.59%	(2.17)%	(3.17)%	0.88%
Energy, chemical and food equipment	5,565,543	4,446,564	20.11%	23.11%	20.43%	1.77%
Offshore engineering	1,519,799	1,504,615	1.00%	22.09%	36.68%	(10.56)%
Airport facilities equipment	225,451	164,554	27.01%	227.11%	242.64%	(3.31)%
Others	2,825,635	2,230,209	21.07%	96.93%	154.50%	(17.86)%
Offset on consolidation	(539,547)	(539,547)				
Total	28,585,158	24,160,416	15.48%	4.46%	4.98%	(0.42)%

Unit: RMB thousand

By industry or by product	Revenue during the Reporting Period	Cost of sales during the Reporting Period	Gross profit margin during the Reporting Period (%)	Changes in revenue from the corresponding period of last year (%)	Changes in cost of sales from the corresponding period of last year (%)	Changes in gross profit margin from the corresponding period of last year (%)
By product						
Container	12,314,928	10,654,483	13.48%	(9.92)%	(8.70)%	(1.16)%
Road transportation vehicle	6,673,349	5,699,538	14.59%	(2.17)%	(3.17)%	0.88%
Energy, chemical and food equipment	5,565,543	4,446,564	20.11%	23.11%	20.43%	1.77%
Offshore engineering	1,519,799	1,504,615	1.00%	22.09%	36.68%	(10.56)%
Airport facilities equipment	225,451	164,554	27.01%	227.11%	242.64%	(3.31)%
Others	2,825,635	2,230,209	21.07%	96.93%	154.50%	(17.86)%
Offset on consolidation	(539,547)	(539,547)				
Total	28,585,158	24,160,416	15.48%	4.46%	4.98%	(0.42)%

5.4.2 *By region*

Unit: RMB thousand

Region	Revenue during the Reporting Period	Changes from the corresponding period of last year (%)
China	13,646,979	8.95%
Asia (excluding China)	3,413,649	41.40%
America	5,399,426	(0.61)%
Europe	5,238,156	(11.37)%
Others	886,948	(18.01)%
Total	28,585,158	4.46%

5.4.3 *Reasons for material changes in principal businesses and its structure*

There was no material change in profit composition or profit source of the Company during the Reporting Period.

5.4.4 *Reasons for material changes in the profitability (gross profit margin) of principal businesses as compared with last year*

The Company recorded a decrease in consolidated gross profit margin from principal businesses as compared with the corresponding period of the previous year, which was mainly attributable to various market factors such as overall weak demands to container services, declining price of reefer containers and fluctuation in the price of dry cargo container within a narrow range at low level, as well as the intrinsic factors such as limited recognized revenue due to the late commencement of construction of some projects.

5.4.5 Reasons for material changes in the profit composition during the Reporting Period as compared with last year

During the Reporting Period, there was no material change in the profit composition as compared with last year.

5.4.6 The business nature, major products or services and net profit of investee companies that contributed more than 10% of the net profit

During the Reporting Period, there was no single investee company whose net profit would contribute 10% or above to the net profit of the Company.

5.4.7 Status of future developments and plans disclosed in publicly disclosed documents such as prospectus, offering memorandum and assets reorganisation report of the Company that continued into the Reporting Period

There was no future development and plans disclosed in publicly disclosed documents such as prospectus, offering memorandum and assets reorganisation report that continued into the Reporting Period.

5.4.8 The review and summary of the progress of the operating plan of the Company disclosed during the Reporting Period during previous periods

None.

5.5 Analysis of Core Competitive Advantages

A development strategy focusing on core businesses to accelerate industrial upgrades

After the global financial crisis in 2008, we stepped up the paces of industrial upgrades, focusing on strategic emerging businesses including natural gas equipment and offshore engineering equipment while setting foot in financial, logistics and other modern services.

At present, we have built up a diversified business portfolio including container business, which continues to take the lead in the industry, as well as road transportation vehicles, energy, chemical and liquid food equipment and offshore engineering businesses with strong competitive edges in the PRC. The long-term focus on core business to constantly sharpen competitiveness in the industry is the core competitive advantages of the Group.

An enterprise framework and management system for continuous improvement and sustainability

The Company has developed a set of effective management models covering business philosophy, governance structure and management mechanism, thus establishing the competitive advantages over its rivals. A standardized and effective corporate governance structure is the institutional safeguards of the Company's sustainable and healthy development. In recent years, the Company launched the strategic upgrade campaign of "building an empowering platform for sustainable healthy development of CIMC". According to the organizational transformation direction of "layering management", the Company established a three-tier management model comprising the Executive Committee, special committees and the Board of Directors as well as a 5S core management process. By introducing the lean management concept and promoting the "ONE" management model to meet the goal of continuous improvements, the Company has established an innovative and forward-looking management system to ensure sustainable and healthy development of its businesses.

Manufacturing management capabilities ensuring high quality at low costs

With the accumulation of large-scale, serialized and standardized management experience and capabilities in the area of container manufacturing over the years and its continuous improvements and upgrades, the Group brings into full play of its manufacturing technologies and process management with high efficiency and competitive costs as well as the core capabilities in lean production management across its business segments.

Integrated resources and collaborative development capacity

In the container sector, the Group has completed industrial consolidation through a series of mergers and acquisitions, and fully integrated supply chain, production and manufacturing, services and other processes to secure its leading cost advantage and leadership in the industry. Hence, on the basis of the existing resources and manufacturing and operating strengths, the Group is able to cultivate new businesses and industry chains for resource sharing and development synergy. The Group is also diversifying into other business segments, aiming to capitalize on local strengths and integrate global resources to establish a new business ecosystem.

Technological research and development capabilities

The Company always attaches great importance to technological research and development capabilities through: (1) developing mid-to-long term development strategy to optimize R&D system and platform and accelerate development of products and technologies as well as evolution of existing products; (2) adhering to the core value of "unlimited innovations" to promote R&D of new products, technologies, processes and equipment, while constantly improving the mechanism for identifying, inspiring and promoting innovations to speed up the commercialization of technological achievements; and (3) strengthening protection of intellectual property including the construction of intellectual property rights system covering technical secrets and copyrights, and establishing and improving an all-round effective mechanism for protecting, operating, safeguarding and preventing infringement of intellectual property.

In addition to a national enterprise technology center, the Group has 25 group-level technology centers under 9 core business segments, including 5 research institutes and 20 technical sub-centers. Capitalizing on its strong R&D organization, the Group is well positioned to translate its leading technologies into competitive advantages and business success for customers.

5.6 Major Risk Factors of the Company and Effects

In the second half of 2013, the Company will still face up with the following macroeconomic and policy risks against its business environment:

(1) depressed orders of containers, vehicles and other businesses with overcapacity and low utilization of production capacity, due to the combination of slow global economic recovery in a low-growth cycle, declining external demand for China, a slowdown in export growth, higher energy dependence and escalating volatility in bulk raw material prices;

(2) risks in exchange rate fluctuations as a result of a potentially one-side rapid appreciation of the RMB exchange rate in the changing and volatile financial market;

(3) hiking costs as a result of numerous pressures on the Group's business development and operations such as the mid-to-long term challenges including the forthcoming structural adjustment for China's economy, the decreasing demographic dividend and the requirements on low carbon, environmental protection, energy conservation and emission reduction;

(4) a decline in business profit margins due to the high pressure of market competition from some industries;

(5) the investment risks in offshore engineering equipment business which is a sector requiring tremendous investment and a long payback period. While offshore engineering as a strategic emerging industry is to benefit from policy supports, the domestic offshore engineering industry is exposed to the potentially intensified competition from leading foreign offshore engineering players as well as new entrants such as domestic traditional shipbuilders and capitals. The Company's offshore engineering business, given its limited resources and capacity, is faced up with the challenge to maintain the leadership in the industry, as well as the challenges against its centralized procurement, order management and delivery on schedule and within budget from the parallel design and construction of multiple projects.

5.7 Prospects and Initiatives

5.7.1 Industry development trend and market outlook

Looking into the second half of 2013, as the US economic recovery is expected to accelerate, the downside trend of European economy is eased but with uncertainties, and the recovery of emerging economies is slower than the expectation, the growth rate of global economy remained to stabilize and rebound at a low level.

In respect of container business, the authoritative institutions lowered the estimates for growth in global container trade for 2013 due to the estimated weaker annual demand for containers as a result of certain impacts on international container trade such as the polarized global economic pattern mixed with a slow recovery in the United States, the lingering weakness in the Eurozone and the slowdown in the growth rate of emerging economies while the situation of supply over demand in relation to shipping capacity will remain. Meanwhile, the pressure from high container inventory in the industry due to a weak performance in the peak season might substantially impact the container demand in the second half of 2013. It is expected that the demand for standard dry containers in the second half year is less likely to rebound, while the demand for reefer containers is expected to recover by the end of the year; whereas the demand for special containers should remain relatively stable.

In respect of road transportation vehicle business, as the U.S. economy is expected to continue to recover in the second half of 2013, the demand for major products will maintain stable, and the demand for flatbed vehicles should rebound from a prolonged recession. Emerging markets are expected to witness relatively stable demand for special vehicles, given the absence of new stimulus packages. Given the relatively slow economic growth in China, it is expected that the overall demand of the industry would continue to fall and the low entrance barrier would lead to overcapacity and fierce competition. However, as the government will implement the economic policy of "ensuring growth", the rising investment in real estate, urban rail transit and railway construction would still play a positive role in fueling market demand. On the other hand, the country enforced the policy of upgrading from

National III Standard to National IV Standard for emission from diesel vehicles this year and local governments would gradually enforce the national policies on regulating oversize and overload vehicles on road in a stringent manner, which would promote lighter vehicles, thus generating surging demand on vehicles upgrades. The gradual shift "from yellow sticker to green sticker" in relation to emission standard, an indication of vehicles qualifying for a higher emission standard, would also stimulate the demand for upgrading vehicles in the future.

In respect of energy, chemical and food equipment business, the global economy was navigating into a recovery track during the Reporting Period, albeit still with some uncertainties. Recently the State Council announced a series of new policies to support environmental protection and energy conversation industries.

In the first half of 2013, the natural gas consumption in the PRC was 81.5 billion cubic meters, representing an increase of 13.1%; natural gas imports also surged by 24.6% to approximately 24.7 billion cubic meters compared with the same period last year. According to the forecast by the International Energy Agency, China will expend approximately US$240 billion from 2012 to 2035 in natural gas transportation and distribution infrastructure and LNG industry chains. Moreover, the demand for natural gas application equipment will be further stimulated by the considerations including the concerns about air pollution and cost efficiency, and the encouragement by Chinese oil and gas companies on using natural gas to fuel motor vehicles.

In respect of offshore engineering business, the external macro environment should remain stable in the second half of 2013. The international oil prices currently still remain at a high level of US$100-110, allowing oil companies to sustain their upstream investment enthusiasm in offshore oil and gas sectors, while the replacement and evolution of obsolete platform will still experience a long cycle. Therefore, the potential demand for jack-up platforms would be huge, while the moderately deepwater semi-submersible platforms would become a demand driver for the second half of the year and in the future. In particular, due to the deficiency in manufacturing capabilities, the market in Brazil that attracted global attention will turn to international market to seek equipment to cover the existing gap, which implies new opportunities and as a result, the Chinese offshore engineering enterprises will also benefit from such unprecedented opportunities.

The competitive landscape in offshore engineering equipment manufacturing sector remained essentially unchanged in 2013. However, given the saturated production capacity of enterprises in South Korea and Singapore, the global construction of jack-up platform has shifted to China in the first half of 2013. Among the total jack-up platforms commencing construction, China has taken a larger market share than Singapore. Many shipyards in China turn to offshore engineering market, the jack-up platform market in particular, which exacerbates the competition in domestic offshore engineering market and increases potential industrial risks.

5.7.2 Overall operation targets and initiatives for our businesses development

Adapting to the global economic restructuring in the second half of 2013, the Group will continue to deepen its industrial restructuring and strategic upgrades, carry out systematic upgrades in terms of development strategy, business model, organizational culture, operational management and other areas, and continue to implement layering management and precision management so as to establish an "accumulative continuous improvement mechanism", laying a new foundation for the sustainable and healthy development of the Group.

In respect of the container business, we will implement lean management, and strengthen services and collaboration. Through research and development in technology and management, we strive to break through the manufacturing bottlenecks from the rising costs of productive resources, environmental protection and labor-intensive conditions. We will also optimize resource allocation to increase asset operational efficiency while enhancing the decision-making level of this segment.

In respect of the road transportation vehicle business, we will: (1) further expand our business in the European market, optimise production cost and improve supply chains; (2) continue to develop our North American market, invest in new products and establish and enhance our network of distributors; (3) launch new products for high-end logistics vans; and (4) increase investment in the vehicle logistics park business, and build Xi'an Vehicle Logistics Park (西安車輛物流園).

In respect of the energy, chemical and food equipment business, remaining cautiously optimistic to the industry outlook, the Group will continue to expand its principal businesses and enhance the core competitiveness in order to further consolidate its leadership in the equipment manufacturing market, and proactively tap on new income streams for sustainable and healthy development. The Group will establish strategic plans and carry out prospective research on energy equipment and engineering aspects so as to grasp potential development opportunities. We will set up and improve a business-oriented management model and system and strengthen internal collaboration to ensure healthy business growth in the future. We will fully utilize the production capacities of the newly constructed and expanded production bases as well as production lines by improving the operational efficiency of the cryogenic equipment business. The Group will strive to maintain the leading position of its tank container manufacturing business through improvements in production cost control, quality and profitability. We will, by taking advantage of business collaboration and the complementary advantages of China and Europe, enhance our management ability for engineering projects and strengthen the development of more turnkey projects, with a particular focus on cryogenic tanks, filling station projects, small and medium-sized liquefied and petrochemical gas storage and processing projects, chemical spherical tanks and special containers for nuclear energy. In respect of high-pressure, low-temperature, medium-pressure containers, tank containers and liquid food equipment, the expansion strategy will be continued to amplify our customer base. In particular, the Group will capitalize on the brand, market network, production technology, automated processing, project credentials and other resources of Ziemman International GmbH to facilitate its overseas and domestic market development.

In respect of offshore engineering business, the key objectives for the second half of the year include: (1) striving to fulfill the delivery conditions of the projects, enhancing the communication and cooperation with target customers, so as to realize project sale or lease; (2) continuing to implement the "focus strategy" in market, intensifying efforts in exploring mainstream customers, compete for new orders, and increasing the utilization of production capacity; (3) comprehensively pushing forward the cost control to improve gross profit margin of projects; (4) pushing forward the design and technological shaping of platforms, so as to enhance the capability as a general contractor (EPC); and (5) strengthening basic management and improving QHSE management level.

In respect of airport facilities business, in the second half of the year, we will consolidate and improve the market position of passenger boarding bridges, and tap into new market in the second half of the year. We will pay attention to the integration following the acquisition of Pteris of Singapore, and commence market cooperation. We will also seek new growth opportunities in the field of GSE and automation logistics business and complete the construction of the new base in Shenzhen and the early stage preparation for production bases in other regions as well as pushing forward the technology management and research of development of new products.

In respect of logistics service and equipment manufacturing business, we will push forward the key project businesses such as engine packaging and in relation to customers of automobile components in the second half of the year. In addition, we will initialise packaging and logistics projects for components of passenger vehicles, light trucks and commercial vehicles, so as to enlarge customer groups. We will also reinforce the lean management of each business and promote the cold chain projects, and study the timing for entering the e-commerce logistics market.

In respect of real estate development business, in the second half of the year, the Group will strive for progressive success in projects situated in Longhua, Taiziwan, Qianhai and Pingshan (in Shenzhen) as well as in Baoshan (in Shanghai), ensure the commencement of construction of projects situated in Songshan Lake (in Dongguan) and Jiaozhou (in Qingdao), and continue to develop various markets including Jiangmen (in Guangdong) and Yangzhou (in Jiangsu), so as to expand our land reserves for future projects and achieve simultaneous operation of a number of projects.

5.8 Review of Financial Resources Disclosed in Accordance with the Hong Kong Listing Rules

5.8.1 Revenue and profit attributable to shareholders of the Company

For details of revenue and profit attributable to shareholders of the Company during the Reporting Period, please refer to the section headed "3. Summary of Accounting Data and Financial Indicators" and the sub-sections headed "5.1 Overview of Operating Results during the Reporting Period" as well as "5.2 Analysis of Principal Operations during the Reporting Period" under the section headed "5. Management's Discussion and Analysis" in this announcement.

5.8.2 Liquidity and financial resources

As at 30 June 2013, the Group's cash on hand amounted to RMB3,705.414 million (31 December 2012: RMB5,221.539 million). The Group has always maintained sufficient cash on hand to repay the bank loans due, and will concurrently continue to remain prudent in managing its future development and capital expenditure.

As at 30 June 2013, the Group's bank loans, debentures payable and other current liabilities (issuance of commercial papers) amounted to RMB23,978.803 million (31 December 2012: RMB20,799.527 million).

As at 30 June 2013, the Group's net cash flows from operating activities amounted to RMB(3,021.559) million (2012: RMB(2,107.043) million). The Group had appropriated an amount of RMB14,047.704 million (2012: RMB15,241.020 million) of bank loans and made repayment of bank loans of RMB10,908.473 million (2012: RMB12,309.686 million).

5.8.3 Capital structure

The Group's capital structure consists of equity interests attributable to shareholders and liabilities. As at 30 June 2013, the equity interests attributable to shareholders amounted to RMB22,853.952 million and the total liabilities amounted to RMB45,916.368 million and total assets amounted to RMB68,770.320 million.

Significant changes in assets items

Unit: RMB thousand

Assets	*Notes*	**As at 30 June 2013**	As at 31 December 2012	Changes in amount and percentage Changes in amount	Percentage change (%)
Cash at bank and on hand	*(1)*	**3,705,414**	5,221,539	(1,516,125)	(29)%
Financial assets held for trading – current portion	*(2)*	**160,570**	405,092	(244,522)	(60)%
Notes receivable	*(3)*	**1,246,167**	778,109	468,058	60%
Accounts receivable	*(4)*	**12,725,556**	8,238,033	4,487,523	54%
Advance to suppliers	*(5)*	**2,520,119**	1,213,042	1,307,077	108%
Investment properties	*(6)*	**284,977**	183,668	101,309	55%
Long-term prepaid expenses	*(7)*	**95,175**	47,947	47,228	99%

Notes:

(1) Cash at bank and on hand: mainly due to the centralised management of funds by the Group.

(2) Financial assets held for trading: due to changes in the investment costs and fair values of equity instruments held for trading in the Reporting Period.

(3) Bills receivable: mainly due to the increase in sales settled by bills in the Reporting Period.

(4) Accounts receivable: mainly due to the fact that the Reporting Period was a peak season for production and sales.

(5) Advance to suppliers: mainly due to the increase in procurement of raw materials in the Reporting Period.

(6) Investment properties: mainly due to the acquisition of Zhenhua Group in the Reporting Period.

(7) Long-term prepaid expenses: mainly due to the increase in insurance premium for finance lease items in the Reporting Period.

Significant changes in liabilities items

Unit: RMB thousand

Liabilities	*Notes*	**As at 30 June 2013**	As at 31 December 2012	Changes in amount and percentage: Changes in amount	Percentage change (%)
Short-term borrowings	*(1)*	**7,540,666**	5,438,407	2,102,259	39%
Taxes payable	*(2)*	**340,631**	747,530	(406,899)	(54)%
Interest payable	*(3)*	**68,989**	203,288	(134,299)	(66)%
Dividends payable	*(4)*	**782,117**	38,747	743,370	1919%
Current portion of non-current liabilities within one year	*(5)*	**2,538,641**	1,261,940	1,276,701	101%
Other current liabilities	*(6)*	**2,448,805**	–	2,448,805	–
Financial liabilities held for trading – non-current portion	*(7)*	**34,234**	82,242	(48,008)	(58)%
Long-term borrowings	*(8)*	**4,996,681**	7,641,785	(2,645,104)	(35)%

Notes;

(1) Short-term borrowings: mainly due to financing arrangements arising from an increase in the scale of production and sales in the Reporting Period.

(2) Taxes payable: mainly due to the filing and settlement of enterprise income tax in the Reporting Period.

(3) Interest payable: mainly due to the settlement of interest of debentures payable in the Reporting Period.

(4) Dividends payable: mainly due to the dividends for ordinary shares declared but unpaid in the Reporting Period.

(5) Current portion of non-current liabilities: mainly due to the long-term borrowings due within one year that were transferred in.

(6) Other current liabilities: mainly due to the issuance of commercial papers by the Group in the Reporting Period.

(7) Financial liabilities held for trading – non-current portion; mainly due to changes in the fair values of derivative financial instruments in the Reporting Period.

(8) Long-term borrowings: mainly due to the long-term borrowings that were due in the Reporting Period and transferred to the current portion of non-current liabilities.

Gearing ratio

The gearing ratios of the Group as at 30 June 2013 and 31 December 2012 were calculated based on the Group's total debts divided by total assets as at the respective dates. The gearing ratio of the Group increased from 64.89% as at 31 December 2012 to 66.77% as at 30 June 2013, mainly due to the fact that the Group was in relatively peak season of production and operation during the interim period coupled with the increase in current liabilities as a result of increased occupation of working capital.

5.8.4 *Foreign exchange risk*

The majority currency of the Group's revenue is U.S. dollars, while most of its expenditure is made in Renminbi. The exchange rates of Renminbi are affected by domestic and international economic and political changes, and demand for and supply of Renminbi. Future exchange rates of Renminbi against other currencies may vary significantly from the current exchange rates, the amount of which would affect the operating results and financial position of the Group.

5.8.5 *Pledge of assets*

As at 30 June 2013, the Group's assets with restrictions in their ownership are as follows:

Unit: RMB thousand

Item	Beginning balance	Increase in current period	Decrease in current period	Effect of foreign exchange rate changes	Ending balance
Assets guaranteed					
Cash at bank and on hand	824,027	367,642	(718,525)	(1,056)	472,088
Accounts notes	–	188,758	–	–	188,758
Accounts receivable	–	98,241	–	–	98,241
Inventories	–	–	–	–	–
Fixed assets	10,897	602,550	–	(979)	612,468
Construction in progress	1,184,650	–	–	–	1,184,650
Intangible assets	–	13,967	–	–	13,967
Total	2,019,574	1,271,158	(718,525)	(2,035)	2,570,172

5.8.6 *Capital commitments*

Unit: RMB thousand

Item	**30 June 2013**	31 December 2012
Significant fixed assets purchase contracts entered into under performance or preparation of performance	**400,168**	406,690
Investment contracts entered into but not performed or performed partially	**2,000**	17,420
Significant contracts entered into for ship to be manufactured, for sales or lease	**6,679,710**	1,804,449
External investment approved by the Board	**–**	35,017
Total	**7,081,878**	2,263,576

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

Unit: RMB thousand

	30 June 2013	31 December 2012
Buildings, machinery and equipment	**–**	468
Intangible assets	**–**	34,549
	–	35,017

The Group's share of the joint ventures' own commitments for capital expenditure as at the balance sheet date are as follows:

Unit: RMB thousand

	30 June 2013	31 December 2012
Buildings, machinery and equipment	**265**	280

5.8.7 Contingent liabilities

For details of the contingent liabilities of the Group, please refer to note 10(1) to the financial statements prepared in accordance with CASBE in this announcement.

5.8.8 Significant investments

During the Reporting Period, the acquisition of 36.78% equity interests in Zhenhua Group by the Group at RMB408.667 million has been completed. After the transaction, the equity interests of the Group in Zhenhua Group increased to 75.00%, thus Zhenhua Logistic becomes a subsidiary of the Group.

5.8.9 Future plans for significant investments and expected source of funding

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

5.8.10 Capital expenditure and financing plan

Based on changes in the economic situation and operating environment, as well as the needs for the Group's strategic upgrade and business development, the capital expenditure of the Group in 2013 is approximately RMB6.1 billion, among which approximately RMB1.85 billion was actually expensed in the first half of the year. Various forms of financing arrangements will be considered in the second half of the year.

5.8.11 *Events after the balance sheet date*

(1) On 3 July 2013, CIMC Financial Leasing (Hong Kong) Ltd. ("CIMC FL (HK)") signed a shipbuilding contract with Dalian Shipbuilding Industry Co., Ltd. for the construction of seven 8,800 TEU container vessels. The total contract price for the shipbuilding contract amounted to approximately RMB3,675 million in equivalent. On the same day, CIMC FL (HK) signed a container vessel finance lease contract ("Charter Agreement (DCIC)") for a term of 204 months with a subsidiary of MSC Mediterranean Shipping Company SA. ("MSC").

For details, please refer to the announcement dated 3 July 2013 published by the Company on China Securities Journal, Shanghai Securities News, Securities Times and CNINFO (www.cninfo.com.cn) and the websites of Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.cimc.com).

(2) On 24 July 2013, CIMC FL (HK) signed a shipbuilding contract with New Times Shipbuilding Co., Ltd. for the construction of five 8,800 TEU container vessels. The total contract price for the shipbuilding contract amounted to US$425 million (equivalent to approximately RMB2,622 million). On the same day, CIMC FL (HK) signed a container vessel finance lease contract ("Charter Agreement (NTS)") for a term of 204 months with a subsidiary of MSC.

For details, please refer to the relevant announcement dated 24 July 2013 published by the Company on China Securities Journal, Shanghai Securities News, Securities Times and CNINFO (www.cninfo.com.cn) and the websites of Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.cimc.com).

(3) On 29 July 2013, CIMC Hong Kong, a wholly-owned subsidiary of the Company, signed a sale and purchase agreement with Pteris, CIMC Hong Kong intends to inject its entire equity interests in Techman (Hong Kong) Limited ("Techman (HK)") into Pteris, and as consideration, Pteris will issue new shares to CIMC Hong Kong (or its nominee). Techman (HK), which will hold 70% equity interests in CIMC-Tianda) upon completion of the CIMC-Tianda restructuring, is a limited company incorporated in Hong Kong. CIMC Hong Kong has reached an agreement in respect of the acquisition of the entire equity interests in Techman (HK). Upon completion of the Techman (HK) Acquisition, Techman (HK) will become a wholly-owned subsidiary of CIMC Hong Kong.

The consideration for the transaction was approximately S$96,303,200 (equivalent to approximately RMB486,331,000). Upon settlement, the equity interests of CIMC Hong Kong in Pteris are expected to increase from approximately 14.99% at present to 63.88% (up to approximately 65.80%, subject to certain adjustment mechanisms). As a result, after completion of the transaction, Pteris will become a subsidiary of the Company through CIMC Hong Kong, and CIMC-Tianda will become a subsidiary of Pteris, and thus CIMC-Tianda will continue to be a subsidiary of the Company.

For details, please refer to the relevant announcements dated 29 July 2013 published by the Company on China Securities Journal, Shanghai Securities News, Securities Times and CNINFO (www.cninfo.com.cn) and the websites of Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.cimc.com).

5.8.12 Employment, training and development

As at 30 June 2013, the Group had 58,243 employees in total. The total staff cost during the Reporting Period, including Directors' remuneration, contribution to the retirement benefit schemes and share option schemes, amounted to approximately RMB2,308.870 million, representing approximately 8.08% of the Group's revenue.

The Group provides salary and bonus payment to its employees based on their performance, qualification, experience and market conditions. The share option scheme aims to recognize the previous contribution of Directors and core employees to the Group and reward them for their long-term service. Other benefits include contribution to the governmental pension schemes and insurance plans for employees in mainland China.

The Group regularly reviews its remuneration policies, including Directors' remuneration payable, and strives to formulate an improved incentive and assessment mechanism based on the operating results of the Group and market conditions.

6 FINANCIAL REPORT

6.1 Explanation for Changes in Accounting Policy, Accounting Estimates or Calculation Method as Compared with those for Last Interim Report

□ Applicable √ Not applicable

6.2 Contents, Amount Corrected, Reason and Impact of Material Accounting Errors

□ Applicable √ Not applicable

6.3 Explanation of Changes in the Scope of Consolidation as Compared with those for Last Interim Report

(1) Subsidiaries newly included by the Group in the scope of consolidation included Zhenhua Group, Tianjin Port CIMC Zhenhua Logistic Co., Ltd. which are acquired through combinations not under common control and other 54 subsidiaries for the current period.

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

6.4 Statement of the Board and the Supervisory Committee on the "Non-Standard Auditing Report" issued by the Auditor

□ Applicable √ Not applicable

6.5 Disclosure of the Comparable Balance Sheets, Income Statements

The financial statements have been prepared in accordance with CASBE

6.5.1 Consolidated Balance Sheets

Unit: RMB thousand

	Note	**30 June 2013**	31 December 2012
Assets			
Current assets			
Cash at bank and on hand		**3,705,414**	5,221,539
Financial assets held for trading		**160,570**	405,092
Notes receivable		**1,246,167**	778,109
Accounts receivable	*1*	**12,725,556**	8,238,033
Advance to suppliers		**2,520,119**	1,213,042
Interest receivable		**5,688**	14,410
Other receivables		**2,729,163**	2,114,435
Inventories		**17,516,418**	18,034,726
Current portion of non-current assets		**1,619,432**	1,636,332
Other current assets		**749,760**	690,471
Total current assets		**42,978,287**	38,346,189
Non-current assets			
Financial assets held for trading		**420**	–
Available-for-sale financial assets		**575,913**	609,751
Long-term receivables		**2,738,621**	2,540,574
Long-term equity investments		**1,465,195**	1,913,762
Investment property		**284,977**	183,668
Fixed assets		**12,194,109**	11,608,747
Construction in progress		**2,683,227**	2,279,993
Intangible assets		**3,572,211**	3,273,750
Goodwill		**1,283,876**	1,267,162
Long-term prepaid expenses		**95,175**	47,947
Deferred tax assets		**707,899**	717,797
Other non-current assets		**190,410**	203,040
Total non-current assets		**25,792,033**	24,646,191
Total assets		**68,770,320**	62,992,380

	Note	**30 June 2013**	31 December 2012
Liabilities and shareholders' equity			
Current liabilities			
Short-term borrowings		**7,540,666**	5,438,407
Financial liabilities held for trading		**9,640**	12,856
Notes payable		**843,538**	989,710
Accounts payable	*2*	**8,174,932**	7,059,420
Advances from customers		**2,535,564**	2,722,482
Employee benefits payable		**1,908,563**	2,019,563
Taxes payable		**340,631**	747,530
Interest payable		**68,989**	203,288
Dividends payable		**782,117**	38,747
Other payables		**5,216,363**	4,292,597
Provisions		**748,163**	753,492
Current portion of non-current liabilities		**2,538,641**	1,261,940
Other current liabilities		**2,448,805**	–
Total current liabilities		**33,156,612**	25,540,032
Non-current liabilities			
Financial liabilities held for trading		**34,234**	82,242
Long-term borrowings		**4,996,681**	7,641,785
Debentures payables		**6,455,527**	6,462,235
Long-term payable		**162,885**	145,103
Payables for specific projects		**535**	4,802
Deferred tax liabilities		**735,528**	650,394
Other non-current liabilities		**374,366**	348,630
Total non-current liabilities		**12,759,756**	15,335,191
Total liabilities		**45,916,368**	40,875,223
Shareholders' equity			
Share capital		**2,662,396**	2,662,396
Capital reserve		**1,147,962**	930,482
Surplus reserve		**3,059,836**	3,059,836
Undistributed profits	*3*	**13,332,416**	13,392,795
Difference on translation of foreign currency financial statements		**(599,586)**	(532,333)
Total equity attributable to shareholders of the Company		**19,603,024**	19,513,176
Minority interests		**3,250,928**	2,603,981
Total equity		**22,853,952**	22,117,157
Total liabilities and shareholders' equity		**68,770,320**	62,992,380

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

6.5.2 Consolidated Income Statements

Unit: RMB thousand

Items		Note	**From 1 January to 30 June 2013**	From 1 January to 30 June 2012
I.	**Revenue**	4	**28,585,158**	27,364,446
II.	**Cost of sales**	4	**24,160,416**	23,013,597
	Taxes and surcharges		**147,141**	162,351
	Selling and distribution expenses		**921,175**	863,756
	General and administrative expenses		**1,714,217**	1,655,709
	Financial expenses		**454,826**	236,439
	Asset impairment losses		**34,838**	(24,986)
	Add: Profit/(losses) from changes in fair value		**9,741**	(14,934)
	Add: Investment income		**(45,117)**	(3,522)
	Including: Share of profit of associates and joint ventures		**(64,960)**	(10,095)
III.	**Operating profit**		**1,117,169**	1,439,124
	Add: Non-operating income		**52,760**	77,031
	Less: Non-operating expenses		**9,883**	23,104
	Including: Income/(loss) on disposal of non-current assets		**1,631**	4,705
IV.	**Total profit**		**1,160,046**	1,493,051
	Less: Income tax expenses	5	**444,817**	485,373
V.	**Net profit**		**715,229**	1,007,678
	Net profit attributable to equity holders of the Company		**551,972**	933,710
	Minority shareholders		**163,257**	73,968
VI.	**Earnings per share**			
	(I) Basic earnings per share (RMB)	6	**0.2073**	0.3507
	(II) Diluted earnings per share (RMB)	6	**0.2070**	0.3495
VII.	**Other comprehensive income**		**(65,254)**	35,279
VIII.	**Total comprehensive income**		**649,975**	1,042,957
	Total comprehensive income attributable to equity holders of the Company		**465,306**	980,741
	Total comprehensive income attributable to minority shareholders		**184,669**	62,216

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

6.5.3 Consolidated Cash Flow Statements

Unit: RMB thousand

Items		**From 1 January to 30 June 2013**	From 1 January to 30 June 2012
I.	**Cash flows from operating activities:**		
	Cash received from sale of goods and rendering of services	**24,572,443**	25,950,382
	Refund of taxes and surcharges	**1,074,747**	1,089,739
	Other cash received relating to operating activities	**256,763**	152,728
	Sub-total of cash inflows from operating activities	**25,903,953**	27,192,849
	Cash paid for goods and services	**24,710,071**	24,935,924
	Cash paid to and on behalf of employees	**2,148,977**	2,051,733
	Payments of taxes and surcharges	**1,267,328**	1,343,578
	Other cash paid relating to operating activities	**799,136**	968,657
	Sub-total of cash outflows from operating activities	**28,925,512**	29,299,892
	Net cash flows from operating activities	**(3,021,559)**	(2,107,043)
II.	**Cash flows from investing activities:**		
	Cash received from disposal of investments	**220,682**	–
	Cash received from return on investments	**–**	26,100
	Net cash received from disposal of fixed assets, intangible assets and other long-term assets	**203,227**	21,949
	Other cash received relating to investing activities	**73,000**	–
	Sub-total of cash inflows from investing activities	**496,909**	48,049
	Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	**1,041,204**	870,260
	Cash paid for investments	**–**	244,528
	Net cash paid for acquisition of subsidiaries	**275,374**	718,944
	Other cash paid relating to investing activities	**73,000**	–
	Sub-total of cash outflows from investing activities	**1,389,578**	1,833,732
	Net cash flows from investing activities	**(892,669)**	(1,785,683)

Items	**From 1 January to 30 June 2013**	From 1 January to 30 June 2012
III. Cash flows from financing activities:		
Cash received from capital contributions	**201,435**	–
Including: Cash received from capital contributions by minority shareholders of subsidiaries	**201,435**	–
Cash received from borrowings	**14,047,704**	15,241,020
Other cash received relating to financing activities	**570,599**	–
Sub-total of cash inflows from financing activities	**14,819,738**	15,241,020
Cash repayments of borrowings	**10,908,473**	12,309,686
Cash payments for distribution of dividends and profits or interest expenses	**581,156**	1,581,590
Including: Cash payments for dividends and profits to minority shareholders of subsidiaries	**38,273**	23,224
Other cash paid relating to financing activities	**405,258**	14,460
Sub-total of cash outflows from financing activities	**11,894,887**	13,905,736
Net cash inflow/(outflow) from financing activities	**2,924,851**	1,335,284
IV. Effect of foreign exchange rate changes on cash and cash equivalents	**(174,809)**	(101,374)
V. Net (decrease)/increase in cash and cash equivalents	**(1,164,186)**	(2,658,816)
Add: cash and cash equivalents at the beginning of the period	**4,397,512**	6,563,253
VI. Cash and cash equivalents at the end of the period	**3,233,326**	3,904,437

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

1. ACCOUNTS RECEIVABLE

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

Unit: RMB thousand

Category	**30 June 2013**	31 December 2012
Containers group	**3,769,367**	2,711,559
Trailers group	**2,468,424**	1,827,664
Energy, chemistry and equipment group	**2,706,461**	2,215,151
Offshore business group	**2,561,504**	1,022,797
Airport facilities group	**322,325**	413,934
Others	**1,284,444**	416,849
Subtotal	**13,112,525**	8,607,954
Less:provision for bad debts	**(386,969)**	(369,921)
Total	**12,725,556**	8,238,033

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

Unit: RMB thousand

Category	**30 June 2013**	31 December 2012
Within 1 year (inclusive)	**11,068,104**	7,524,749
1 to 2 years (inclusive)	**923,189**	814,730
2 to 3 years (inclusive)	**973,890**	162,123
Over 3 years	**147,342**	106,352
Subtotal	**13,112,525**	8,607,954
Less: provision for bad debts	**(386,969)**	(369,921)
Total	**12,725,556**	8,238,033

(3) Credit risk

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

In respect of receivables, the management of the Group has established a credit policy under which individual credit evaluations are performed on all customers to determine the credit limit and terms applicable to the customers. These evaluations focus on the financial position and external ratings of the customers and their bank credit records (where available) and previous payment records. Receivables are due within from 30 to 90 days from the date of billing. Normally, the Group does not obtain collateral from customers. However, the Group has established strict rules on transfer of titles and may request the customers to pay deposits or make advance prepayments according to the credit position of customers.

Most of the Group's customers have been transacting with the Group for many years, and losses have occurred infrequently. In order to monitor the credit risk of the Group, customers are grouped according to the ageing, maturity date and number of days overdue. This Group has made the provision for the significant overdue receivables at 30 June 2013.

The Group provides funds to the associates and joint ventures according to indicators such as the asset status of such associates and joint ventures and the profit forecast of development projects and continues to monitor the project progress and operations to ensure the recoverability of the funds.

The receivables of the Group, neither past due nor impaired, are mainly due to a wide range of customers for whom have no recent history of default.

The Group's exposure to credit risk is influenced mainly by the individual characteristics and industries of each customer rather than country or area in which the customers operate. Due to the market concentration in the global shipping and related service sectors, significant concentrations of credit risk arise primarily when the Group has significant exposure to individual customers. As at the balance sheet date, the Group had a certain concentration of credit risk, as 20.56% (2012: 20.05%) of the total accounts receivable and other receivables were due from the five largest customers of the Group.

2. ACCOUNTS PAYABLE

The Group's accounts payable is as follows:

Unit: RMB thousand

Item	**30 June 2013**	31 December 2012
Accounts payable for raw material procurement	**8,174,932**	7,059,420

The ageing of accounts payable is analysed as follows:

Ageing	**30 June 2013**	31 December 2012
Within 1 year	**8,030,324**	6,714,327
1 to 2 years	**72,296**	220,521
2 to 3 years	**30,942**	51,445
Over 3 years	**41,370**	73,127
Total	**8,174,932**	7,059,420

As at 30 June 2013, accounts payable over 1 year with a carrying amount of RMB144,608,000 (31 December 2011: RMB345,093,000) are mainly payables related to offshore engineering business. The payable are not settled because the construction period of the offshore engineering project usually last more than 1 year.

3. UNDISTRIBUTED PROFITS

Unit: RMB thousand

Item	*Note*	**30 June 2013**	31 December 2012
Undistributed profits at the beginning of the year		**13,392,795**	12,785,092
Add: net profit attributable to the shareholders of the Parent for the current period		**551,972**	1,939,081
Less: appropriation for surplus reserve		**–**	(106,676)
Less: ordinary share dividend payable	*(1)*	**(612,351)**	(1,224,702)
Undistributed profits at the end of the period		**13,332,416**	13,392,795

(1) Dividends of ordinary shares declared during the period

In accordance with the resolution approved at the general meeting of the Company, dated 28 June 2013, the Company distributed cash dividend for the year of 2012 at the amount of RMB0.23 per share (inclusive of tax) to the ordinary shareholders on 15 August 2013 (2012: RMB0.46 per share) on 15 August 2013, amounting to RMB612,351,000 (2012: RMB1,224,702,000).

4. REVENUE AND COST OF SALES

Unit: RMB thousand

Item	**From 1 January to 30 June 2013**	From 1 January to 30 June 2012
Revenue from principal operations	**28,142,560**	26,487,354
Revenue from other operations	**442,598**	877,092
Total	**28,585,158**	27,364,446
Cost of sales from principal operations	**23,952,601**	22,394,778
Cost of sales from other operations	**207,815**	618,819
Total	**24,160,416**	23,013,597

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

5. INCOME TAX EXPENSES

Unit: RMB thousand

Item	**From 1 January to 30 June 2013**	From 1 January to 30 June 2012
Current income tax calculated based on tax law and related regulations	**352,204**	406,187
Change in deferred income tax	**92,613**	79,186
Total	**444,817**	485,373

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

Unit: RMB thousand

Item	**From 1 January to 30 June 2013**	From 1 January to 30 June 2012
Total profit	**1,160,046**	1,493,051
Income tax expenses calculated at applicable tax rates	**379,479**	476,135
Effect of tax incentive	**(136,072)**	(94,800)
Expenses not deductible for tax purposes	**124,729**	8,706
Income not subject to tax	**(106,925)**	(30,611)
Utilisation of previously unrecognised tax losses	**(9,476)**	(27,147)
Tax effect of unrecognised tax losses	**76,296**	45,016
Deductible temporary differences for which no deferred tax asset was recognised	**74,456**	48,754
Effect of tax rate change on deferred tax	**3,490**	10,766
Tax refund for income tax annual filling	**(1,735)**	(261)
Income tax accruals for profit of foreign holding companies in current period	**40,575**	48,815
Income tax expenses	**444,817**	485,373

6. EARNINGS PER SHARE

(1) Basic earnings per share

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

	From 1 January to 30 June 2013	From 1 January to 30 June 2012
Consolidated net profit attributable to ordinary shareholders of the Company (RMB thousand)	**551,972**	933,710
Weighted average number of ordinary shares outstanding ('000)	**2,662,396**	2,662,396
Basic earnings per share (RMB per share)	**0.2073**	0.3507

(2) Diluted earnings per share

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

	From 1 January to 30 June 2013	From 1 January to 30 June 2012
Consolidated net profit attributable to ordinary shareholders of the Company (diluted) (RMB thousand)	**551,972**	933,710
Weighted average number of ordinary shares outstanding (diluted) ('000)	**2,666,450**	2,671,583
Diluted earnings per share (RMB per share)	**0.2070**	0.3495

Note: The subsidiaries' share option program is not material to the Company's diluted earning per share.

Calculation of weighted average number of ordinary shares outstanding (diluted)

	30 June 2013	30 June 2012
Issued ordinary shares at 1 January ('000)	**2,662,396**	2,662,396
Effect of share options ('000)	**4,054**	9,187
Weighted average number of ordinary shares at 30 June ('000)	**2,666,450**	2,671,583

The board of directors the Company was authorised to grant 60,000,000 share options (2.25% of the total of 2,662,396,051 shares issued by the Company) to the senior management and other staff. The first tranche of 54,000,000 share options was granted to 181 senior management and key technical personnel of the Company in 26 January 2011; the second tranche of 6,000,000 share options was granted to 48 key technical personnel and middle-level management in 17 November 2011.

7. SEGMENT REPORTING

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

Segment assets include tangible assets, intangible assets, other long-term assets and accounts receivable, etc, but exclude deferred income tax assets and other un-allocated headquarters assets. Segment liabilities include payables, bank loans, provision, special payables and other liabilities of each segment, while deferred tax income liabilities are excluded.

Segment profit represents revenue (including external operating income and inter-segment operating income), offsetting segment expenses, depreciation and amortisation, impairment losses, interest expenses and income attributable to individual segment. Transactions conducted among segments are under normal non-related party transaction commercial terms.

Segment information as at and for the six months ended 30 June 2013 is as follows:

Unit: RMB thousand

Item	Containers From January to June 2013	Trailers From January to June 2013	Energy chemistry and food equipment From January to June 2013	Offshore business From January to June 2013	Airport facilities From January to June 2013	Others From January to June 2013	Elimination between segments From January to June 2013	Unallocated items From January to June 2013	Total From January to June 2013
External operating income*	12,298,263	6,604,388	5,299,219	1,519,799	225,451	2,638,038	–	–	28,585,158
Inter-segment operating income*	16,665	68,961	266,324	–	–	187,597	(539,547)	–	–
Income/(losses) from investment in joint ventures and associates	307	112	–	–	–	17,042	(307)	(82,114)	(64,960)
Impairment loss for the period	(3,424)	26,987	4,226	973	288	5,788	–	–	34,838
Depreciation and amortisation expenses	154,838	117,350	120,453	66,132	2,265	98,936	–	–	559,974
Interest income from bank deposits	9,445	10,013	5,004	282	189	19,070	–	8,344	52,347
Interest expenses	3,500	27,511	16,006	94,675	–	8,077	–	300,459	450,228
Total profit/(losses)	605,291	445,122	499,772	(198,258)	(16,279)	561,731	(498,835)	(238,498)	1,160,046
Income tax expenses	195,065	54,958	108,145	(2,785)	(1,590)	59,489	–	31,535	444,817
Net profit/(losses)	410,226	390,164	391,627	(195,473)	(14,689)	502,242	(498,835)	(270,033)	715,229
Total assets	16,397,963	9,394,319	9,726,821	14,040,969	880,782	16,818,348	(24,420,004)	25,931,122	68,770,320
Total liabilities	10,078,263	7,079,918	6,524,317	16,903,531	554,125	9,971,002	(16,362,677)	11,167,889	45,916,368
Other significant non-cash items:									
– Other non-cash expenditures/(income) other than depreciation and amortization	125,347	33,250	13,364	13,870	5,588	19,144	–	5,424	215,987
– Long-term equity investment of joint ventures and associates	2,775	38,740	–	–	77,294	349,800	–	606,970	1,075,579
– Additions of non-current assets other than long-term equity investment	314,127	219,107	186,188	191,960	38,614	98,561	–	–	1,048,557

Segment information as at and for the six months ended 30 June 2012 is as follows:

Unit: RMB thousand

Item	Containers From January to June 2012	Trailers From January to June 2012	Energy chemistry and food equipment From January to June 2012	Offshore business From January to June 2012	Airport facilities From January to June 2012	Others From January to June 2012	Elimination between segments From January to June 2012	Unallocated items From January to June 2012	Total From January to June 2012
External operating income*	13,648,461	6,735,820	4,370,317	1,244,783	68,923	1,296,142	–	–	27,364,446
Inter-segment operating income*	22,830	85,474	150,632	–	–	138,723	(397,659)		–
Income/(losses) from investment in joint ventures and associates	10,062	(36,855)	–	8,985	–	4,179	–	3,534	(10,095)
Impairment loss for the period	(75,072)	10,791	6,428	17,526	(6,143)	21,484	–	–	(24,986)
Depreciation and amortisation expenses	179,715	137,698	116,620	88,697	3,229	23,382	–	–	549,341
Interest income from bank deposits	38,175	3,882	9,034	205	493	48,776	–	748	101,313
Interest expenses	8,634	30,021	15,098	55,183	51	27,368	–	189,786	326,141
Total profit/(losses)	1,089,766	112,640	343,752	(144,799)	(30,727)	47,170	–	75,249	1,493,051
Income tax expenses	289,690	26,614	87,056	2,312	1,450	57,690	–	20,561	485,373
Net profit/(losses)	800,076	86,026	256,696	(147,111)	(32,177)	(10,520)	–	54,688	1,007,678
Total assets	13,673,547	11,105,480	9,647,435	14,883,323	719,107	11,440,923	–	3,761,932	65,231,747
Total liabilities	4,528,372	4,684,291	3,724,885	11,189,659	467,921	9,255,590	–	10,639,112	44,489,830
Other significant non-cash item:									
– Other non-cash expenditures/(income) other than depreciation and amortization	(35,796)	12,860	9,255	18,529	15,100	1,255	–	13,500	34,703
– Long-term equity investment of joint ventures and associates	594,425	445,670	–	211,689	–	169,270	–	130,859	1,551,913
– Additions of non-current assets other than long-term equity investment	450,187	121,817	222,124	285,064	6,760	74,412	–	1,248,847	2,409,211

8. NET CURRENT ASSETS

Unit: RMB thousand

	The Group 30 June 2013	31 December 2012
Current assets	**42,978,287**	38,346,189
Less: current liabilities	**33,156,612**	25,540,032
Net current assets	**9,821,675**	12,806,157

	The Company 30 June 2013	31 December 2012
Current assets	**15,177,694**	15,551,651
Less: current liabilities	**8,669,233**	6,195,807
Net current assets	**6,508,461**	9,355,844

9. TOTAL ASSETS LESS CURRENT LIABILITIES

Unit: RMB thousand

	The Group	
	30 June 2013	31 December 2012
Total assets	**68,770,320**	62,992,380
Less: current liabilities	**33,156,612**	25,540,032
Total assets less current liabilities	**35,613,708**	37,452,348

	The Company	
	30 June 2013	31 December 2012
Total assets	**22,834,813**	23,204,261
Less: current liabilities	**8,669,233**	6,195,807
Total assets less current liabilities	**14,165,580**	17,008,454

10. CONTINGENCIES

(1) Contingent liabilities

CIMC Raffles (a subsidiary of the Company) and its subsidiaries ("CIMC Raffles") entered into vessel construction contracts and vessel leasing contracts with relevant purchasers, which involve terms of compensation for delivery postponement and termination terms.

While the actual amount of compensation for delivery postponement to be assumed in future is subject to the date of actual delivery of vessels, the maximum amount of the compensation for delivery postponement from contracted delivery date to future estimated actual delivery date that CIMC Raffles and its subsidiaries may need to assume is approximately US$19,820,000 (equivalent to RMB122,462,000).

(2) Guarantees provided for external parties

CIMC Vehicle Group, a subsidiary of the Group, signed contracts with China Construction Bank, Bank of China, China Merchants Bank and China Everbright Bank, pursuant to which relevant banks provided guarantees in respect of banking facilities granted to the distributors and customers of CIMC Vehicle Group and its subsidiaries arising from purchase of vehicle products. As at 30 June 2013, as approved by the Board of the Company, the aggregate amount of credit facilities in respect of which CIMC Vehicle Group and its subsidiaries provided guarantees to the distributors and customers was RMB471,257,000 (31 December 2012: RMB637,605,000).

JiangmenDichan, a subsidiary of the Group, provided guarantees to purchasers of commodity homes by way of secured loans. The amount of guarantees was approximately RMB9,820,000 as at 30 June 2013 (31 December 2012: RMB300,000,000).

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

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

As at 30 June 2013, the Group had bills issued but not accounted for and outstanding letters of credit totalling RMB263,965,000 (31 December 2012: RMB717,454,000).

As at 30 June 2013, CIMC Raffles had outstanding balance of performance guarantees issued by relevant banks totalling US$560,394,000 (equivalent to RMB3,462,506,000), all of which were issued for vessel purchasers (31 December 2012: RMB3,522,355,000).

As at 30 June 2013, TAS had outstanding balance of guarantees issued by relevant banks totalling RMB306,381,000, of which balance of performance guarantees, bid guarantees, quality guarantees and guarantees provided to suppliers was RMB181,522,000, RMB25,230,000, RMB22,225,000 and RMB77,404,000, respectively (total balance as at 31 December 2012: RMB300,599,000).

(4) Significant pending litigations

The semi-submersible oil drilling platforms named SS Pantanal and SS Amazonia built by CIMC Raffles and its subsidiaries for subsidiaries of Schahin Group in Brazil, were delivered in November 2010 and April 2011, respectively. CIMC Raffles and its subsidiaries also provided advances for Schahin Holdings SA and its six connected parties for the construction of drilling platforms. Since Schahin Holdings SA and its other connected parties did not pay the amount in accordance with relevant contracts, CIMC Raffles and its subsidiaries lodged a law suit and arbitration application against Schahin Holdings SA and its connected parties in December 2011 and May 2012, respectively, the aggregate amount of which amounted to approximately US$208 million (equivalent to approximately RMB1.3 billion). As at 30 June 2013, the arbitration in relation to the advances was settled and CIMC Raffles was granted US$69 million. As at the date of these financial statements, Schahin Holdings SA and its six connected parties have raised a counterclaim. Based on the current progress of the legal proceedings, the Company was in an optimistic view regarding the litigation results. In the course of the proceedings, the Company will take positive legal measures to ensure that shareholders' interests are not compromised.

11. COMMITMENTS

(1) Significant commitments

(a) Capital commitments

Unit: RMB thousand

Item	**30 June 2013**	31 December 2012
Significant fixed assets purchase contracts entered into under performance or preparation of performance	**400,168**	406,690
Investment contracts entered into but not performed or performed partially	**2,000**	17,420
Significant contracts entered into for vessels to be manufactured, for sales or lease	**6,679,710**	1,804,449
External investment approved by Board of Directors	**–**	35,017
Total	**7,081,878**	2,263,576

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

Unit: RMB thousand

	30 June 2013	31 December 2012
Buildings, machinery and equipment	**–**	468
Intangible assets	**–**	34,549
	–	35,017

The Group's share of the joint ventures' own commitments for capital expenditure as at the date of the balance sheet is as follows:

Unit: RMB thousand

	30 June 2013	31 December 2012
Buildings, machinery and equipment	**265**	280

(b) ***Operating lease commitments***

The future minimum lease payments due under the signed irrevocable operating lease contracts in relation to property and fixed assets are summarised as follows:

Unit: RMB thousand

Item	**30 June 2013**	31 December 2012
Within 1 year (inclusive)	**60,786**	73,628
Over 1 year but within 2 years (inclusive)	**50,941**	58,491
Over 2 years but within 3 years (inclusive)	**41,964**	52,967
Over 3 years	**82,989**	127,181
Total	**236,680**	312,267

Operating lease recognized as expenses for the period ended 30 June 2013 is RMB44,069,000 (For the period ended 30 June 2012: RMB46,267,000).

(2) Information on equity-settled share-based payment

(a) ***Fulfilment of commitments for the previous period***

The Group has fulfilled the capital and operating lease commitments as at 30 June 2013.

12 SUPPLEMENTARY INFORMATION

(1) Statement of Non-recurring Profit or Loss for the First Six Months of 2013

Unit: RMB thousand

Item	**Amount**
Gains from disposal of non-current assets	**(2,783)**
Government grants recognised in profit or loss for the current period (except those closely related to the operation of the enterprise, for a fixed quota or for a fixed amount in accordance with national unified standards)	**36,011**
Except for the effective hedging activities related to the Company's ordinary activities, profit or loss arising from changes in fair value of financial assets and financial liabilities held for trading, and investment income from disposal of financial assets and financial liabilities held for trading and available-for-sale financial assets	**32,496**
Gains from debt restructuring	**(20)**
Other non-operating income/expenses other than the above items	**5,255**
Payment received from non-financial enterprises for using funds and recognised in profit or loss for the current period	**3,121**
Effect of income tax	**(25,556)**
Effect of minority interests (after tax)	**(9,764)**
Total	**38,760**

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

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

Under the requirements in Explanatory Announcement No. 1 on Information Disclosure by Companies Offering Securities to the Public – Non-recurring Profit or Loss [2008] from China Securities Regulatory Commission, non-recurring profit or loss refer to those arises from transactions and events that are not directly relevant to ordinary activities, or that are relevant to ordinary activities, but are extraordinary and not expected to recur frequently that would have an influence on users of financial statements making economic decisions on the financial performance and profitability of an enterprise.

(2) Return on Net Assets and Earnings Per Share

In accordance with Interpretive Pronouncement on the Preparation of Information Disclosures of Companies Issuing Public Shares No. 9 – Earnings Per Share and Return on Net Assets (Revised 2010) and relevant requirements of accounting standard, the calculation of earnings per share and return on net assets of the Company is listed as follows:

Unit: RMB

Net profit during the Reporting Period	Weighted average return on net assets (%)	Earnings per share Basic earnings per share	Earnings per share Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	2.78%	0.2073	0.2070
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit or loss	2.59%	0.1928	0.1925

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

Unit: RMB thousand

Assets	*Notes*	**30 June 2013**	31 December 2012	Changes in amount and percentage *Amount*	%
Cash at bank and on hand	*(1)*	**3,705,414**	5,221,539	(1,516,125)	(29)%
Financial assets held for trading-current portion	*(2)*	**160,570**	405,092	(244,522)	(60)%
Notes receivable	*(3)*	**1,246,167**	778,109	468,058	60%
Accounts receivable	*(4)*	**12,725,556**	8,238,033	4,487,523	54%
Advance to suppliers	*(5)*	**2,520,119**	1,213,042	1,307,077	108%
Investment properties	*(6)*	**284,977**	183,668	101,309	55%
Long-term prepaid expenses	*(7)*	**95,175**	47,947	47,228	99%

(1) Cash at bank and on hand: mainly due to the centralised management of fund by the Group.

(2) Financial assets held for trading-current portion: due to changes in the investment costs and fair values of equity instruments held for trading in the period.

(3) Notes receivable: mainly due to the increase in sales settled by bills in the period.

(4) Accounts receivable: mainly due to the fact that the period was a peak season for production and sales.

(5) Advance to suppliers: mainly due to the increase in procurement of raw materials in the period.

(6) Investment properties: mainly due to the acquisition of Zhenhua Group in the period.

(7) Long-term prepaid expenses: mainly due to the increase in insurance premium for finance lease items in the period.

Unit: RMB thousand

Liabilities	*Notes*	**30 June 2013**	31 December 2012	Changes in amount and percentage *Amount*	*%*
Short-term borrowings	*(1)*	**7,540,666**	5,438,407	2,102,259	39%
Taxes payable	*(2)*	**340,631**	747,530	(406,899)	(54)%
Interest payable	*(3)*	**68,989**	203,288	(134,299)	(66)%
Dividends payable	*(4)*	**782,117**	38,747	743,370	1919%
Current portion of non-current liabilities	*(5)*	**2,538,641**	1,261,940	1,276,701	101%
Other current liabilities	*(6)*	**2,448,805**	–	2,448,805	–
Financial liabilities held for trading – non-current portion	*(7)*	**34,234**	82,242	(48,008)	(58)%
Long-term borrowing	*(8)*	**4,996,681**	7,641,785	(2,645,104)	(35)%

(1) Short-term borrowings: mainly due to financing arrangements arising from an increase in the scale of production and sales in the period.

(2) Taxes payable: mainly due to the filing and settlement of enterprise income tax in the period.

(3) Interest payable: mainly due to the settlement of interest payable of debentures in the period.

(4) Dividends payable: mainly due to the dividends for ordinary shares declared but unpaid in the period.

(5) Current portion of non-current liabilities: mainly due to the long-term borrowings due within one year that were transferred in.

(6) Other current liabilities: mainly due to the issuance of commercial papers by the Group in the period.

(7) Financial liabilities held for trading – non-current portion: mainly due to changes in the fair values of derivative financial instruments in the period.

(8) Long-term borrowings: mainly due to the long-term borrowings that were due in the period and transferred to the current portion of non-current liabilities.

Unit: RMB thousand

Profit and loss	*Notes*	**30 June 2013**	30 June 2012	Changes in amount and percentage *Amount*	*%*
Financial expenses	*(1)*	**454,826**	236,439	218,387	92%
Asset impairment losses	*(2)*	**34,838**	(24,986)	59,824	239%
Profit/(losses) from changes in fair value	*(3)*	**9,741**	(14,934)	24,675	165%
Investment gains/losses	*(4)*	**(45,117)**	(3,522)	(41,595)	(1181)%
Profit/loss attributable to minority interest	*(5)*	**163,257**	73,968	89,289	121%

(1) Financial expenses: mainly due to the increase in exchange loss resulting from the changes of foreign exchange rates in the period.

(2) Asset impairment losses: mainly due to the reversal of the provision for impairment of inventories in the same period last year.

(3) Profit/(losses) from changes in fair value: mainly due to changes in fair values of equity instruments held for trading and derivative financial instruments in the period.

(4) Investment gains/losses: mainly due to the decrease in investment income under the equity method of the Group in the period.

(5) Profit/loss attributable to minority interest: due to the increase in profitability of subsidiaries with minority interests in the period.

7 REPURCHASE, SALE OR REDEMPTION OF SECURITIES

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

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

The Company has adopted the standards prescribed in the Model Code contained in Appendix 10 of the Hong Kong Listing Rules as the code of conduct in dealing in shares of the Company by Directors and Supervisors. After inquiries, all the Directors and Supervisors confirmed that they had complied with the Model Code for Securities Transactions by Directors of Listed Issuers that contained in Appendix 10 of the Hong Kong Listing Rules and adopted by the Company during the Reporting Period.

Save for the work relationship inside the Company, there was no relationship among the Directors, the Supervisors and the senior management in respect of financial affairs, businesses, family members and other aspects of significance.

Save for the service contracts entered into with the Company, the Directors and the Supervisors of the Company had no personal beneficial interests, directly or indirectly, in any material contracts entered into by the Company or its subsidiaries in the first half of 2013.

9 COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions under the Corporate Governance Code set out in Appendix 14 of the Hong Kong Listing Rules during the Reporting Period.

10 AUDIT COMMITTEE

The Company has engaged independent non-executive Directors and established the Audit Committee pursuant to the requirements of the Hong Kong Listing Rules. At the end of the Reporting Period, the members of the Audit Committee under the Board of Directors consisted of Mr. Pan Chengwei (Chairman of the Audit Committee under the Board of Directors with professional qualification and experience in relation to financial management such as accounting), Mr. Li Kejun and Mr. Wong Kwai Huen, Albert. On 26 August 2013, the Audit Committee reviewed the interim results of the Company and its subsidiaries for the six months ended 30 June 2013, and agreed to present the same to the Board of Directors for consideration.

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

Hong Kong, 27 August 2013

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

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

This announcement is published in English and Chinese. In the event of any inconsistency between the two versions, the Chinese version shall prevail.