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 2014 (Summary of the 2014 Interim Report)

1 IMPORTANT NOTICE

1.1 The Board of Directors (the "Board") of China International Marine Containers (Group) Co., Ltd. (hereinafter referred to as the "Company" or "CIMC"), the Supervisory Committee and the Directors, Supervisors and senior management of the Company warrant that there are no material omissions from, or misrepresentation or misleading statements contained in this announcement, and jointly and severally accept full responsibility for the truthfulness, accuracy and completeness of the information contained in this summary of the interim report of the Group for the six months ended 30 June 2014 (hereinafter referred to as the "2014 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 2014 Interim Report and the full version of the 2014 Interim Report will be posted on the above websites in due course.

1.2 This summary of the 2014 Interim Report has been approved at the 17th meeting of the seventh session of the Board in 2014 (hereinafter referred to as the "Meeting"). All Directors warrant, and there is no dissenting opinion as to, the truthfulness, accuracy and completeness of this summary of the 2014 Interim Report. Seven Directors out of the eight existing Directors of the Company have attended the Meeting, non-executive Director Wang Hong has authorized the Chairman Li Jianhong to attend the Meeting and exercise his voting rights.

1.3 The financial statements of the Company and its subsidiaries (the "Group") have been prepared in accordance with China Accounting Standards for Business Enterprises ("CASBE"). The interim financial statements and notes (the "Financial Report") of the Group for the six months ended 30 June 2014 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.

1.6 The Board doesn't propose to declare the interim dividend for the period ended 30 June 2014 (the corresponding period of 2013: Nil) at the Meeting.

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

1.8 Unless otherwise stated, the default currency in this result announcement is RMB.

1.9 This results announcement has been prepared in both Chinese and English. In the event of any inconsistency between the two versions, the Chinese version shall prevail.

2 BASIC INFORMATION OF THE COMPANY

2.1 Company Information

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

2.2 Contact Persons and Means of Communication

Secretary to the Board, Company Secretary:	Yu Yuqun
Assistant Company Secretary:	Cheong Siu 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

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 2014 and ended on 30 June 2014 (the "Reporting Period"), the Company did not make retrospective adjustments to or restate the accounting data of previous years due to changes in accounting policies and correction of accounting errors.

Unit: RMB thousand

	The Reporting Period (January – June 2014)	The corresponding period of last year (January – June 2013)	Changes from the corresponding period of last year to the Reporting Period *(%)*
Revenue	**32,046,128**	28,585,158	12.11%
Profit from operations	**1,254,810**	1,117,169	12.32%
Profit before income tax expense	**1,268,227**	1,160,046	9.33%
Income tax expense	**(17,892)**	444,817	(104.02)%
Net profit for the period	**1,286,119**	715,229	79.82%
Attributable to:			
Equity holders of the parent company	**1,035,029**	551,972	87.51%
Minority profit/(losses)	**251,090**	163,257	53.80%
Net profit attributable to shareholders of the Company after deducting non-recurring profit or loss	**946,692**	513,212	84.46%

Unit: RMB thousand

	As at the end of the Reporting Period (30 June 2014)	As at the end of last year (31 December 2013)	Changes from the end of last year to the Reporting Period *(%)*
Total current assets	**46,065,420**	41,169,668	11.89%
Total non-current assets	**36,428,776**	31,436,304	15.88%
Total assets	**82,494,196**	72,605,972	13.62%
Total current liabilities	**42,820,778**	32,576,349	31.45%
Total non-current liabilities	**14,652,302**	15,533,495	(5.67)%
Total liabilities	**57,473,080**	48,109,844	19.46%
Shareholders' equity	**25,021,116**	24,496,128	2.14%
Attributable to:			
Equity holders of the parent company	**20,959,678**	20,674,037	1.38%
Minority interest	**4,061,438**	3,822,091	6.26%
Share capital (thousand shares)	**2,664,589**	2,662,396	0.08%

	The Reporting Period (January – June 2014)	The corresponding period of last year (January – June 2013)	Changes from the corresponding period of last year to the Reporting Period *(%)*
Net cash flows from/(used in) operating activities	**(3,169,073)**	(3,021,559)	(4.88)%
Net cash flows from/(used in) investing activities	**(4,160,208)**	(892,669)	(366.04)%
Net cash flows from/(used in) financing activities	**5,887,153**	2,924,851	101.28%

3.2 Key Financial Indicators

	The Reporting Period (January – June 2014)	The corresponding period of last year (January – June 2013)	Changes from the corresponding period of last year to the Reporting Period *(%)*
Basic earnings per share attributable to shareholders of the Company (RMB/share)	**0.3885**	0.2073	87.41%
Diluted earnings per share attributable to shareholders of the Company (RMB/share)	**0.3845**	0.2070	85.75%
Weighted average return on net assets (%)	**4.89%**	2.78%	2.11%
Weighted average return on net assets after deducting non-recurring profit or loss (%)	**4.47%**	2.59%	1.88%
Net cash flows from operating activities per share (RMB/share)	**(1.19)**	(1.13)	(5.31)%

	As at the end of the Reporting Period (30 June 2014)	As at the end of last year (31 December 2013)	Changes from the end of last year to the Reporting Period *(%)*
Net assets per share attributable to shareholders of the Company (RMB/share)	**7.87**	7.77	1.29%
Gearing ratio *(Note)*	**69.67%**	66.26%	3.41%

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

3.3 Non-recurring Profit or Loss Items and Amounts

Unit: RMB thousand

Item	Amount (January – June 2014)
Gains from disposal of non-current assets (including the part of assets impairment provision already made and written off)	**(17,825)**
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)	**35,531**
Net loss from disposal of subsidiaries	**(212)**
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	**(337,672)**
Other non-operating income/expenses other than the above items	**4,251**
Other profit and loss items falling within the definition of non-recurring profit and loss	**342,885**
Less: Effect of income tax	**62,395**
Effect of minority interests (after tax)	**(1,016)**
Total	**88,337**

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

□ Applicable √ Not applicable

4 SHAREHOLDINGS

4.1 Number of Shareholders

As at the end of the Reporting Period, the total number of shareholders of the Company was 127,436, including 5 holders of H Shares and 127,431 holders of A Shares, of which 127,434 were shareholders of shares without selling restrictions while 2 were 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 2014 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 shareholders interested in 5% or more of the shares of the Company or the top ten Shareholders

Name of Shareholders	Nature of shareholders	Percentage of Shareholding	Number of shares held at the end of the Reporting Period	Changes during the Reporting Period	Number of shares with selling restrictions	Number of shares without selling restrictions	Pledged or frozen shares Status	Pledged or frozen shares Number of Shares
HKSCC Nominees Limited	Foreign legal person	53.68%	1,430,470,309	–	–	1,430,470,309	–	0
COSCO Container Industries Limited	Foreign legal person	16.22%	432,171,843	–	–	432,171,843	–	0
China Merchants Bank Co., Ltd. – Everbright Pramerica Securities Investment Fund	Domestic non-state-owned	1.28%	33,999,999	–	–	33,999,999	–	0
Taikang Life Insurance Co., Ltd. – Bonus – Individual Bonus – 019L-FH002 Shenzhen	Domestic non-state-owned	0.82%	21,794,615	–	–	21,794,615	–	0
China Minsheng Banking Co., Ltd. – Yinhua SZSE 100 Index Classified Securities Investment Fund	Domestic non-state-owned	0.36%	9,621,839	–	–	9,621,839	–	0
Industrial Bank Co., Ltd. – Everbright Pramerica Bonus Securities Investment Fund	Domestic non-state-owned	0.29%	7,599,191	–	–	7,599,191	–	0
Industrial and Commercial Bank of China – Rong Tong SZSE 100 Index Securities Investment Fund	Domestic non-state-owned	0.25%	6,647,596	–	–	6,647,596	–	0
Agriculture Bank of China – Huaxia Smooth Growth Mixed Securities Investment Fund	Domestic non-state-owned	0.23%	6,222,577	–	–	6,222,577	–	0
Bank of China – E Fund SZSE 100 Index Tradable Open-Ended ETF Securities Investment Fund	Domestic non-state-owned	0.23%	6,083,461	–	–	6,083,461	–	0
Industrial and Commercial Bank of China – Lion Equity Securities Investment Fund	Domestic non-state-owned	0.19%	5,073,797	–	–	5,073,797	–	0

The relationship or concerted action of the above mentioned shareholders	None

4.1.2 Shareholdings of the top ten Shareholders without selling restrictions

Name of Shareholders	Number of shares without selling restrictions held at the end of Reporting Period	Nature of the shares	
		Nature of the shares	Number of Shares
HKSCC Nominees Limited	1,430,470,309	H shares	1,430,470,309
COSCO Container Industries Limited	432,171,843	A shares	432,171,843
China Merchants Bank Co., Ltd. – Everbright Pramerica Securities Investment Fund	33,999,999	A shares	33,999,999
Taikang Life Insurance Co., Ltd. – Bonus – Individual Bonus – 019L-FH002 Shenzhen	21,794,615	A shares	21,794,615
China Minsheng Banking Corp., Ltd. – Yinhua SZSE 100 Index Classified Securities Investment Fund	9,621,839	A shares	9,621,839
Industrial Bank Co., Ltd. – Everbright Pramerica Bonus Securities Investment Fund	7,599,191	A shares	7,599,191
Industrial and Commercial Bank of China – Rong Tong SZSE 100 Index Securities Investment Fund	6,647,596	A shares	6,647,596
Agriculture Bank of China – Huaxia Smooth Growth Mixed Securities Investment Fund	6,222,577	A shares	6,222,577
Bank of China – E Fund SZSE 100 Index Tradable Open-Ended ETF Securities Investment Fund	6,083,461	A shares	6,083,461
Industrial and Commercial Bank of China – Lion Equity Securities Investment Fund	5,073,797	A shares	5,073,797
The relationship or concerted action among the top 10 shareholders with selling restrictions, or the top 10 shareholders without selling restrictions and the top 10 shareholders	None		

Whether the shareholders of the Company conducted any agreed repurchase transactions during the Reporting Period or not

□ Yes √ No

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

As far as the Directors are aware, as at 30 June 2014, the persons (other than a Director, Supervisor or chief executive of the Company) who had interests or short positions in the shares and underlying shares of the Company which are required to be recorded in the register of interests in shares and short positions required to be kept by the Company pursuant to Section 336 of the SFO of Hong Kong are as follows:

Name of shareholder	Type of shares held	Number of shares (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 ("CM Group") [1]	H Shares	679,927,917 (L)	Interest of Corporation Controlled by the Substantial Shareholder	47.53	25.52
China Ocean Shipping (Group) Company ("COSCO") [2]	A Shares	432,171,843 (L)	Interest of Corporation Controlled by the Substantial Shareholder	35.02	16.22
	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	5.15
Templeton Asset Management Ltd.	H Shares	114,137,686 (L)	Investment manager	7.98	4.28

(L) Long position

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

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

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

As at 30 June 2014, as far as the Directors were aware, save as disclosed above, no other person (other than a Director, Supervisor or chief executive of the Company) had any interest or short position in the shares of the Company recorded in the register of interests in shares and short positions required to be kept by the Company pursuant to Section 336 of the SFO of Hong Kong.

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

4.3.1 Change of controlling shareholders during the Reporting Period

There is no controlling shareholder of the Company.

4.3.2 Change of de facto controller during the Reporting Period

There is no de facto controller of the Company.

4.3.3 Substantial Shareholders

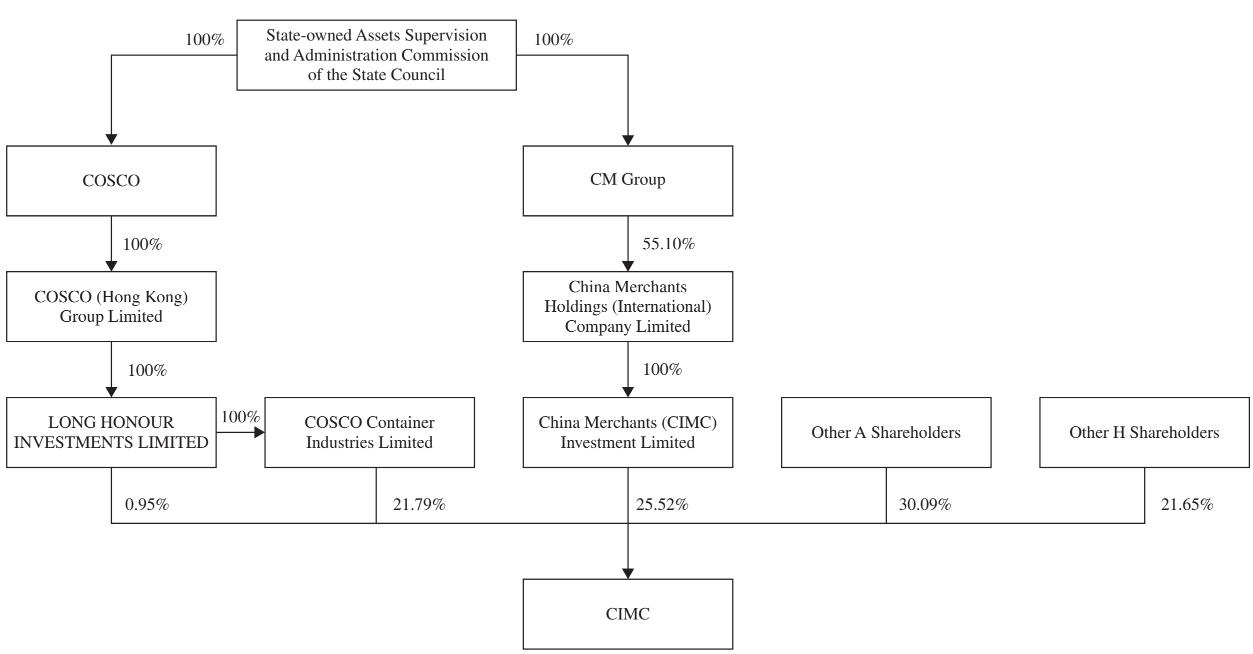
The substantial shareholders of the Company are CM Group and COSCO.

CM Group was incorporated on 14 October 1986 in the PRC with limited liability. Its registered capital is RMB10,050 million and its chairman of the board is LI Jianhong. 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 chairman of the board is MA Zehua. COSCO is an international company with businesses covering marine transportation, logistics terminals, ship building and repairing.

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

4.3.4 Diagram of the shareholding relationships between the Company and the Substantial Shareholders as at 30 June 2014



5 MANAGEMENT'S DISCUSSION AND ANALYSIS

5.1 Overview of Operating Results during the Reporting Period

The Group's business started to rebound from the bottom in January to June 2014. Both of its revenue and net profit slightly increased compared with the same period last year. During the Reporting Period, the Group's revenue amounted to RMB32,046.128 million (same period in 2013: RMB28,585.158 million), representing a year-on-year increase of 12.11% and its net profit attributable to equity holders of the Parent Company amounted to RMB1,035.029 million (same period in 2013: RMB551.972 million), representing a year-on-year increase of 87.51%. The increase in revenue and net profit was mainly attributable to (1) during the Reporting Period the delivery of its offshore engineering projects that were still under construction in the corresponding period of last year, hence reversing the loss situation in the same period last year; (2) the constant growth of energy, chemical and liquid food equipment business; (3) in the corresponding period of last year, given world economy was still in recovery, our Group's result was in a downturn, and (4) the positive impact brought about by the reversal of withholding tax for overseas enterprises that had been identified as Chinese resident enterprises in the first half of 2014.

5.2 Analysis of Principal Operations during the Reporting Period

Year-on-year changes in key financial data

Unit: RMB thousand

	The Reporting period (January – June 2014)	The corresponding period of last year (January – June 2013)	Changes from the corresponding period of last year to the Reporting Period *(%)*
Revenue	**32,046,128**	28,585,158	12.11%
Cost of sales	**26,868,640**	24,160,416	11.21%
Selling and distribution expenses	**1,105,160**	921,175	19.97%
General and administrative expenses	**2,080,694**	1,714,217	21.38%
Financial expenses	**260,805**	454,826	(42.66)%
Income tax expenses	**(17,892)**	444,817	(104.02)%
Technology development costs	**222,954**	126,942	75.63%
Net profit attributable to equity holders of the parent company	**1,035,029**	551,972	87.51%
Net cash flows from operating activities	**(3,169,073)**	(3,021,559)	(4.88)%
Net cash flows from investing activities	**(4,160,208)**	(892,669)	(366.04)%
Net cash flows from financing activities	**5,887,153**	2,924,851	101.28%
Net increase of cash and cash equivalents	**(1,423,186)**	(1,164,186)	(22.25)%

Explanation of reasons for changes in items with change over 30% year-on-year:

Financial expenses

During the Reporting Period, the Group's financial expenses amounted to RMB260.805 million, representing a decrease of approximately 42.66% compared with RMB454.826 million in the same period of 2013, which was mainly due to changes in exchange gain or loss arising from the changes of foreign exchange rates during the Reporting Period.

Income tax expenses

During the Reporting Period, the Group's income tax expenses amounted to RMB(17.892) million, representing a decrease of approximately 104.02% compared with RMB444.817 million in the same period of 2013, which was mainly due to reversal of withholding tax of overseas entities identified as Chinese resident enterprises during the Reporting Period.

Technology development costs

During the Reporting Period, the Group's technology development costs amounted to RMB222.954 million, representing an increase of approximately 75.63% compared with RMB126.942 million in the same period of 2013, which was mainly due to the Group's increased efforts in technology research and development during the Reporting Period.

Net profit attributable to equity holders of the parent company

During the Reporting Period, the Group's net profit attributable to equity holders of the parent company amounted to RMB1,035.029 million, representing an increase of approximately 87.51% compared with RMB551.972 million in the same period of 2013, which was mainly due to a turnaround from loss to profit of offshore engineering business of the Group, the continuous growth of energy, chemical and liquid food equipment business, and the positive impact on the results from reversal of withholding tax for overseas enterprises that had been identified as Chinese resident enterprises in the first half of 2014.

Net cash flows from investing activities

During the Reporting Period, the Group's net cash outflows from investing activities amounted to RMB4,160.208 million, representing an increase of approximately 366.04% compared with RMB892.699 million in the same period of 2013, which was mainly due to the increased cash payment for acquisition and construction of fixed assets and other long-term assets 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 RMB5,887.153 million, representing an increase of approximately 101.28% compared with RMB2,924.851 million in the same period of 2013, which was mainly due to the Group's financing activities to satisfy the increased fund requirements of the Group's investment activities during the Reporting Period.

5.3 Review of the Principal Business During the Reporting Period

The Group is principally engaged in the manufacture of modern transportation equipment, energy, chemical, liquid food equipment, offshore engineering equipment and airport facilities, as well as the provision of relevant services, including the design, manufacture and service of international standard dry containers, reefer containers, regional special containers, tank containers, wooden container floorboards, road tank trucks, natural gas equipment and static tanks, road transportation vehicles, jack-up drilling platforms, semi-submersible drilling platforms, special vessels and airport facilities. In addition, the Group is also engaged in logistics service, real estate development, financial 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 China's largest manufacturer of road transportation vehicles and one of China's leading high-end 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, energy, chemical and food equipment, offshore engineering, and logistics services.

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 2014, given the stable recovery of European and American economies and the launching of new ships, the global container industry slightly picked up. The overall capacity across the industry remained stable, while the overall capacity utilization was slightly above 50%.

In the first half of 2014, the total sales of the Group's ordinary dry containers were 625,300 TEUs (same period in 2013: 641,500 TEUs), representing a year-on-year decrease of 2.53%. The total sales of reefer containers were 70,700 TEUs (same period in 2013: 49,400 TEUs), representing a year-on-year increase of 43.12%. The total sales of special containers were 31,500 units (same period in 2013: 30,800 units), representing a year-on-year increase of 2.27%. The production of ordinary dry containers was low in the first quarter but the demand was significantly rebounded from the second quarter. Meanwhile, the demand for reefer containers was positive. Steel and other raw material costs declined significantly, while the price of ordinary dry containers fluctuated within a narrow range at relatively low level, but the gross profit margin remained stable. In the first half of 2014, the container segment recorded revenue of RMB11,505.248 million (same period in 2013: RMB12,314.928 million, representing a year-on-year decrease of 6.57% and the net profit was RMB322.72 million (same period in 2013: RMB410.226 million), representing a year-on-year decrease of 21.33%.

In the first half of this year, the Group has adhered to prudent investment principles. With regard to standard dry cargo containers, investment agreements were respectively signed for Dongguan Fenggang project and Ningbo Yinzhou project, laying a solid foundation for future long-term development of the Group's container segment. As for reefer containers, Qingdao cold chain industry park project and Taicang cold container project were further constructed, commissioned, and put into production. Meanwhile, the Group continued to implement technical innovation and environmental upgrading projects for certain container factories projects.

By adopting a business model of "integrated design, factory manufacturing and on-site installation", the Group's modularized construction products business has 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.

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, 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 product line 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 2014, domestically speaking, the new government has adopted relatively mild economic stimulus policies, so the domestic economy remained stable while the growth rate went down slightly. Meanwhile, the government vigorously carried out special rectification actions for environmental protection; especially, it formulated plan to gradually phase out yellow sticker vehicles and scrap vehicles and develop clean energies, and strengthened efforts on regulating oversize and overload vehicles on road. All these measures have pushed up the overall demand in domestic heavy truck market. As to special vehicles, except for liquid tanker market, which showed a downward trend, the production and sales of other logistics vehicles and engineering modified vehicles all recorded growth to varying degrees compared with same period last year.

Internationally speaking, in the first half of 2014, the U.S. market remained strong, and orders for van trucks and skeleton trucks of the Group were better than expected. Businesses in emerging markets recorded stable growth, and explorations of major markets progressed smoothly. The Silvergreen businesses in European markets are pending to be re-integrated.

Under the above-mentioned industry trends as well as domestic and overseas economic circumstances, in the first half of 2014, the product sales of our road transportation vehicle business generally maintained a steady trend. Our major product, logistics semi-trailers, expanded market share by 2.10% while the operating income remained basically at par compared with the same period last year. The total sales of our road transportation vehicles business were 57,200 units (sets) in the first half of 2014, representing a year-on-year increase of 7.30%. The sales revenue was RMB7,144.948 million (same period in 2013: RMB6,673.349 million), representing a year-on-year increase of 7.07% and the net profit was RMB225.726 million (same period in 2013: RMB390.164 million), representing a year-on-year decrease of 42.15%, the decrease in net profit was mainly due to the decrease in investment gains during the Reporting Period compared with the same period last year.

In the first half of 2014, our vehicle segment continued to implement a steady operation strategy and further clarified each entity's management responsibility to improve management efficiency. The segment further optimized the existing sales system to improve the efficiency of the marketing system. Market share in the domestic market grew steadily while sales in North America experienced a significant year-on-year increase. The segment also made significant breakthroughs in the exploration of major emerging markets. As to business in Europe, we are intended to re-plan vehicle business in European markets. Investments of the segment still focused on product and technology upgrading. The CIMC Vehicle Group initiated the R&D of the third-generation semi-trailers in China, and was building a new technical platform for skeleton trucks, stake trucks, and flatbed trucks in stages. The R&D project for advanced urban slag trucks customized for the Chinese market has been translated into mass production, with good market response. Meanwhile, pre-research for flatbed trucks in North America has already commenced. The segment will continue to promote the investment into and construction of Shanxi CIMC Vehicle Industry Garden and Shenyang CIMC Vehicle Industry Garden.

Energy, Chemical and Liquid Food Equipment Business

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

In the first half of 2014, our energy, chemical and liquid food equipment business recorded revenue of RMB5,827.260 million (same period in 2013: RMB5,565.543 million), representing a year-on-year increase of 4.70% and the net profit was RMB488.940 million (same period in 2013: RMB391.627 million), representing a year-on-year increase of 24.85%. Among which, the revenue from energy equipment business of CIMC Enric was RMB2,335.341 million (same period in 2013: RMB2,521.843 million), representing a year-on-year decrease of 7.40%; the revenue from chemical equipment business was RMB1,622.592 million (same period in 2013: RMB1,507.202 million), representing a year-on-year increase of 7.70% and the revenue from liquid food equipment business was RMB855.188 million (same period in 2013: RMB799.876 million), representing a year-on-year increase of 6.90%. During the Reporting Period, as the revenue from energy equipment business was primarily generated domestically and the economic growth in China is slowing down, the energy equipment business recorded a decline compared to the same period last year. With the gradual recovery of the global economy, the demand for tank containers, the major product of the chemical equipment business, was improved, thus the turnover from the segment continued to grow. Driven by the increased orders in liquid food equipment business, the turnover moderately increased.

CIMC Enric focused on developing modular, lightweight and intelligent products through advanced technologies. In the first half of 2014, as for product research and development, CIMC Enric carried out various research and development projects in energy equipment business, such as LNG marine transport tanks and CNG transport ships. As for chemical equipment business, CIMC Enric focused on the development of 39 tons ISO tank containers and LNG tank containers aimed at the international market. As for liquid food equipment business, CIMC Enric was committed to researching and developing the turnkey systems of overall process in brewery factories. In addition, CIMC Enric obtained achievements in self-development of key components to replace the out-sourcing components. CIMC Enric has established an institute for the research and development of low-temperature technologies earlier this year.

CIMC Enric also focused on customer service. Through cooperation with China Special Equipment Inspection and Research Institute, CIMC Enric has built five testing service centers for CNG trailers and other high-pressure gas cylinder trailers in Xi'an, Shenyang, Haikou, Xinjiang and Yangzhou from 2007, to provide testing, transformation, maintenance and spare parts service for customers. In early 2014, CIMC Enric built another testing service center in Hengyang, Hunan and planned to put it into operation in the second half of the year. In accordance with relevant safety regulations in China, high-pressure gas cylinder trailers must be regularly inspected. The above testing service centers provide testing and other services according to relevant regulations, so as to ensure the safe operation of customers' vehicles.

In terms of production capacity, at the beginning of 2014, the on-vehicle LNG fuel tanks expansion projects in Zhangjiagang and Shijiazhuang have been completed and the products have been gradually launched, which brought a positive impact on the business of CIMC Enric. In the first half of 2014, CIMC Enric also invested to improve the production capacity of LNG tank containers in Nantong and Shijiazhuang.

Currently, CIMC Enric occupies a relatively high market share among products such as ISO liquid tank, high pressure gas storage and transportation equipment, cryogenic equipment as well as CNG, LNG and LPG storage and transportation equipment. CIMC Enric has formed relatively systematic and complete industrial chain in the equipment manufacturing field.

Offshore Engineering Business

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

In the first half of 2014, the offshore engineering business of the Group recorded sales revenue of RMB5,665.789 million (same period in 2013: RMB1,519.799 million), representing a year-on-year increase of 272.80%. It recorded a profit of RMB49.467 million (same period in 2013: loss of RMB195.473 million), reversing the loss situation in the same period last year. The increase in revenue and net profit turnaround was mainly attributable to the jack-up drilling platforms and semi-submersible drilling platforms commenced in the second half of last year have entered the mid-construction period, so the revenue recognized pursuant to the actual cost schedule increased; and the sales of two jack-up drilling platforms in the first half of the year which made up operating expenditures and financial expenses.

Since the beginning of 2014, multinational large oil companies have cut exploration and production (E&P) expenses and postponed some large products due to rising costs and tight cash flows, therefore leading to a significant decrease and a short-term callback in new orders of global offshore drilling platform projects compared with the corresponding period of last year. However, as state oil companies of various countries have increased E&P inputs, the overall E&P input worldwide still grew by 2%. In the mid- to long-term, as fueled by energy demands in emerging economies, there is still a great shortage of global oil and gas supply, 60% of which needs to be supplemented by offshore oil and gas. It is expected that the oil price would maintain at a high price of over US$100 a barrel in the long run. Therefore, the fundamentals of the global offshore engineering economy have not changed and the industry is still in the booming cycle.

Domestically speaking, in the first half of 2014, the development of our offshore engineering business has continued to benefit from a favorable domestic policy environment. On 20 June 2014, Chinese Premier Li Keqiang delivered the speech For Peace, Cooperation and Harmony in the Ocean during his visit to Greek; as a result, the development of oceans and offshore engineering equipment has become a national strategy with country-wide concern. On 24 April 2014, the National Development and Reform Commission, the Ministry of Finance, the Ministry of Industry and Information Technology, in joint forces with various departments, promulgated the Project Implementation Program of Offshore Engineering Equipment. On 22 May 2014, the National Development and Reform Commission released the Special Notice on the R&D and Industrialization of Offshore Engineering Equipment 2014, defining the policy of supporting the R&D and industrialization of major engineering offshore equipment with the principles of "market oriented, innovation driving, assembly leading, and auxiliary equipment supported".

In the first half of 2014, CIMC Raffles continued to focus its endeavors on semi-submersible drilling platforms and jack-up drilling platforms. Wherein, CIMC Raffles has secured approximately 20% of orders of semi-submersible drilling platforms in the global market. In the North Sea of Europe, currently, three semi-submersible drilling platforms built by CIMC Raffles are in operation, and other three are under construction, and the company has options of orders for another three. CIMC Raffles has preliminarily become the mainstream supplier for the semi-submersible drilling platform in the Norway and North Sea of Europe. Also, two D90 ultra deep-water semi-submersible drilling platforms have commenced construction which are the only seventh-generation semi-submersible drilling platforms under construction in the world. As for jack-up drilling platforms, with three such platforms delivered in the first half of the year (respectively, "Offshore Oil 932", "Gulf Driller 1", and "New Victory 1"), CIMC Raffles now has 4 delivered Jack-up drilling platforms in operation at Bohai Bay.

Ever since October 2010, CIMC Raffles already delivered 8 deep-water semi-submersible drilling platforms and 8 jack-up drilling platforms. The delivered deep-water semi-submersible drilling platforms have officially commenced operation in North Sea, Brazil, West Africa, and other global mainstream waters. Among them, COSL series Semi-submersible Drilling Platforms operating in North Sea of Norway ranked No. 1 for three times in terms of comprehensive strengths among all drilling platforms in the region, wining recognition of mainstream customers in major markets. Meanwhile, we have obtained new orders for high-end marine businesses, realized independent design breakthroughs, preliminarily completed strategic layout, and further consolidated and enhanced our leading position concerning deep-water oil and gas equipment.

As for R&D and design, with the help of the so-called "technology innovation platform" of CIMC Offshore Research Institute, which is wholly owned by the Group, we integrated the key enterprises in the industry, including U.S. ABS, Norway DNV, China CCS, etc., educational and research institutions such as Ocean University of China, as well as design teams and core equipment vendors, to form a project-based collaborative R&D platform. A number of R&D results of our offshore engineering business have been recognized in China, winning First Prize of Shandong Provincial Science & Technology Progress Award in January and the Third Session of China Industry Award in May.

Airport Facilities Equipment Business

The Group's airport facilities business mainly includes passenger boarding bridges, air cargo handling systems, ground services equipment (GSE, shuttle bus, lifting platform vehicle, fire truck, etc.), and three-dimensional car parking spaces, logistics products and related services.

During the Reporting Period, the Group's airport facilities equipment business recorded sales revenue of RMB750.752 million (same period in 2013: RMB225.451 million), representing a year-on-year increase of 233.00%. It incurred a loss of RMB46.091 million (same period in 2013: loss of RMB14.689 million), representing a year-on-year increase of approximately 213.78%. The increases in revenue and loss in the first half of 2014 were mainly attributable to the influence from incorporating Albert Ziegler GmbH into combination during the Reporting Period.

As for the operation and sales of major products, airport facilities, including passenger boarding bridges, and GSE business saw an upward trend benefited from the increase in domestic demand. Due to the deepening of our internationalization strategies, sales in overseas markets grew steadily. The Group continued to explore new market segments for its automatic logistics equipment business, and it is expected that new breakthroughs will be made in the second half of the year. As for three-dimensional car parking spaces, the Group still obtained various project orders even though market competition in the field has further intensified.

In respect of airport facilities equipment business, the Group will continue to focus on new airport projects both at domestic and overseas markets in the second half of the year. This will continuously bring orders for relevant equipment segments. The airport facilities equipment business is expected to make more breakthroughs in the second half of 2014. The market demand for three-dimensional car parking space business is still on the rise, but due to fierce competition in general, the Group needs to devote more resources and explore more effective means to obtain more orders.

On 29 July 2013, CIMC Hong Kong, a wholly-owned subsidiary of the Group, signed a sale and purchase agreement with Pteris Global Limited ("Pteris", a listed company on the main board of the Singapore Stock Exchange, stock code: J74), according to which the Group will inject 70.00% equity interest in CIMC Tianda into Pteris, and as consideration, Pteris will issue new shares to the Group. On 19 August 2014, all conditions under the sale and purchase agreement have been satisfied, and the sale and purchase agreement has been completed on the same day. Since then, the Company's equity interest in Pteris increased to 51.32%, and Pteris has become an indirectly non-wholly owned subsidiary of the Company, while CIMC Tianda has become the subsidiary of Pteris, therefore, CIMC Tianda is still a subsidiary of the Company.

Logistics Services Business

The Group is committed to offering logistic solution for customers in different industries by utilising a series of logistic equipment and technology to continuously improve efficiency in the logistic industry. In 2013, the Group had systematic logistic services capability through consolidating the relevant services resources of the Group, and the completion of merger and acquisition of Zhenhua Logistics Group ("Zhenhua Logistics") in March 2013.

In the second half of 2013, the Group completed the Five-year Strategic Planning for its logistic services business. That is, the Group will focus on the expansion towards four businesses, namely, an integrated intermodal, full-life cycle services for containers, industry supply chain logistics solutions and cold chain logistic ecosystem, based on the well-established service capability including provision of integrated port logistic service, outlets deployment of logistic service, industry equipment logistic service, standardised logistic equipment design and manufacturing, logistic financial service and port container service, so as to provide customized and standardised logistic services, which enable the Group's advantageous logistic equipment to be systematically applied in the industry, thereby improving social logistic efficiency.

In the first half of 2014, the logistics service industry of China operated steadily in whole, with the stabilisation of domestic economy and the gradual improvement of import and export trading. During the Reporting Period, the Group achieved revenue of RMB3,424.920 million (same period in 2013: RMB2,210.339 million) and net profit of RMB41.406 million (same period in 2013: RMB67.349 million) in its logistics services business, respectively representing a year-on-year increase of 54.95% and a year-on-year decrease of 38.52%.

In the first half of 2014, Zhenhua Logistics consolidated and operated well upon merger and acquisition. Zhenhua Logistics achieved revenue of RMB2,250.788 million (same period in 2013: RMB2,360.657 million) and net profit of RMB49.964 million (same period in 2013: RMB36.933 million), respectively representing a year-on-year decrease of 4.65% and a year-on-year increase of 35.28%.

2014 is the first year for the consolidation and operating of the Group's logistic services business. All related services businesses of the Group are managed and operated under the unified organization systems, which have performed well. In the future, the Group will develop its logistic services business according to the selected strategic planning direction to further solidify the foundation and deepen the synergy with the Group's manufacturing business so as to create distinctive competitiveness, with a view to achieve the strategic target of being the top ten logistic enterprises in China within five years.

Real Estate Development Business

In the first half of 2014, the domestic property policies insisted on the bottom line of "supporting the purchase of homes for self-uses" based on which local governments made flexible adjustments. This is the main tone of polices adjustment on China's property market at the current stage. Due to lack of demand, high inventory, credit tightening and expectations for market outlooks, housing prices and trading volume in major cities were in the adjustment stage.

In the first half of 2014, the Group had a total of 491,000 square meters of real estate projects under construction, 27,200 square meters of which were new construction projects, and 29,000 square meters of projects were completed. During the Reporting Period, the Group's real estate business recorded revenue of RMB221.042 million (same period in 2013: RMB173.754 million), representing a year-on-year increase of 27.22% and net profit of RMB67.733 million (same period in 2013: loss of RMB3.086 million), reversing the loss situation compared with the same period of last year. The net profit turnaround was mainly due to the increase of investment income recognised under the equity method from the Group's associate, Shanghai Fengyang Real Estate Development Co., Ltd. (the Group holds its 40.00% equity interests).

The development objective of the Group's Qianhai parcel is to develop the parcel of land with an area of 524,000 square meters owned by the Group into the demonstration area for offshore financial industry and high-end services. Currently, the Group maintains close discussions with relevant ministries of the country, Shenzhen Municipal Government and other parties, to put forward constructive plans for the development of the parcel of land.

Financial Business

As for its financial business, the Group is devoted to the establishment of a financial service system which matches its role as a world leading manufacturer, so as to promote the expansion of its businesses and enhance the efficiency and effectiveness of its internal capital utilization. The main operating subsidiaries consist of CIMC Financial Leasing Co., Ltd. (CIMC Financial Leasing) and CIMC Finance Company Ltd. (CIMC Finance). In the first half of 2014, the Group achieved revenue of RMB729.338 million (same period in 2013: RMB210.062 million) and a net profit of RMB62.986 million (same period in 2013: RMB96.448 million), respectively representing an increase of 247.20% and a decrease of 34.69% as compared with corresponding period of last year.

In the first half of 2014, CIMC Financial Leasing strived to achieve early involvement in industry projects and joint participant in role transformation on the basis of boosting business sales and provision financing channels, so as to provide "equipment + finance" one-stop solutions for customers. This not only expanded sales of the Group's products, but also improved its bargaining power and therefore helped the Group to upgrade business models. By successfully carrying forward the ten 9200-TEU container ship project with CMA-CGM (a global container shipping company ranking third in the world) and the fourteen 8800-TEU ship project as well as the H206 accommodation platform project and the H218 accommodation lifting project with MSC (a container shipping company ranking second in the world), CIMC Financial Leasing put forward the groundbreaking "finance + service + manufacturing" integrated solution in the shipbuilding and offshore engineering sector. On January 7, 2014, CIMC Financing Leasing incorporated CIMC Qianhai Leasing Company ("Qianhai Leasing") in Qianhai. As an important link in the Group's strategies for Qianhai, Qianhai Leasing will make full use of the preferential policies of Qianhai and build up a global operations platform in accordance with international business rules by way of establishment of global talent introduction and cultivation as well as the development of global market system, global low-lost financing platform, global asset management platform, and global strategic partnership system.

Meanwhile, CIMC Finance deepened the implementation of requirements for its positioning as "fund manager, financial services provider, and financial value producer" and maintained stable development in the first half of 2014. CIMC Finance actively undertook cross-border capital interoperability tasks of the Group and carried out coordinated management of overseas capitals, so as to strengthen centralized management and effective functioning of the Group's capital pool. CIMC Finance realized the comprehensive upgrading of its financial service provision and financial value creation by constantly improving four businesses of notes, foreign exchange, supply chain and intermediary services. Among them, the supply chain financing business achieved rapid growth, with cumulative business volume in the first half exceeding the total volume in the whole year of last year. Intermediary services also made breakthroughs, and CIMC Finance issued its first bank acceptance bills on behalf of the banks for member enterprises of the Group. As for foreign exchange business, the company obtained the approval from SAFE regarding the expansion of its customer base, so its service scope was further expanded. The Group also enhanced efforts to promote electronic commercial draft system, thereby improving the management efficiency for its notes assets. The comprehensive development and innovations of various financial businesses has brought high-value and personalized financial services for the Group and further optimized efficiency and effectiveness of capital operations, and hence improved the overall industrial competitiveness of the Group.

5.4 Composition of Principal Businesses

5.4.1 By industry and by product

Unit: RMB thousand

	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	11,505,248	9,892,718	14.02%	(6.57)%	(7.15)%	0.54%
Road transportation vehicle	7,144,948	5,995,189	16.09%	7.07%	5.19%	1.50%
Energy, chemical and liquid food equipment	5,827,260	4,726,977	18.88%	4.70%	6.31%	(1.23)%
Offshore engineering	5,665,789	5,247,455	7.38%	272.80%	248.76%	6.38%
Airport facilities equipment	750,752	638,319	14.98%	233.00%	287.91%	(12.03)%
Logistic services	3,424,920	2,943,029	14.07%	54.95%	54.85%	0.06%
Others	1,208,900	747,596	38.16%	96.47%	126.82%	(8.27)%
Offset on consolidation	(3,481,689)	(3,322,643)	–	–	–	–
Total	32,046,128	26,868,640	16.16%	12.11%	11.21%	0.68%
By product						
Container	11,505,248	9,892,718	14.02%	(6.57)%	(7.15)%	0.54%
Road transportation vehicle	7,144,948	5,995,189	16.09%	7.07%	5.19%	1.50%
Energy, chemical and liquid food equipment	5,827,260	4,726,977	18.88%	4.70%	6.31%	(1.23)%
Offshore engineering	5,665,789	5,247,455	7.38%	272.80%	248.76%	6.38%
Airport facilities equipment	750,752	638,319	14.98%	233.00%	287.91%	(12.03)%
Logistic services	3,424,920	2,943,029	14.07%	54.95%	54.85%	0.06%
Others	1,208,900	747,596	38.16%	96.47%	126.82%	(8.27)%
Offset on consolidation	(3,481,689)	(3,322,643)	–	–	–	–
Total	32,046,128	26,868,640	16.16%	12.11%	11.21%	0.68%

5.4.2 By region

Unit: RMB thousand

Region	**Revenue during the Reporting Period**	**Changes from the corresponding period of last year (%)**
China	12,789,775	(6.28)%
Asia (excluding China)	5,931,166	73.75%
America	6,572,921	21.73%
Europe	5,807,915	10.88%
Others	944,351	6.47%
Total	32,046,128	12.11%

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

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

5.4.4 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.

5.5 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 facilities and services 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 advantage of the Group.

An enterprise framework and management system for continuous improvement and sustainability

The Group has developed a set of effective management models covering business philosophy, corporate governance structure and management mechanism, thus establishing the competitive advantages over its rivals. A standardized and effective corporate governance structure is the institutional safeguard of the Company's sustainable and healthy development. In recent years, the Group launched the strategic upgrade campaign of "building an empowering platform for sustainable and 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 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 a new 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, 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 Group always focused on improvement of technological research and development capabilities through formulating mid-to-long term development strategy to optimize R&D system and platform and accelerate R&D of products and technologies as well as evolution of existing products, adhering to the core value of "unlimited innovations" to promote R&D of new products, technologies, processes and equipment, while constantly improving the mechanism for identifying, inspiring and promoting innovations to speed up the commercialization of technological achievements and strengthening protection of intellectual property including the construction of intellectual property rights system covering technological know-how and copyrights, and establishing and improving an all-round effective mechanism for protecting, operating, safeguarding and preventing infringement of intellectual property.

The Group's technology center is a national level enterprise technology center, and the Group has 26 group-level technology centers, including 5 research institutes and 21 technical sub-centers. Leveraging 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 Prospects and Initiatives

5.6.1 Industry Development Trend and Market Outlook in the Second Half of 2014

Looking forward, the global economy will be in slow recovery and slow growth in the second half of the year. However, there still exist many uncertainties, including U.S.'s withdrawal of quantitative easing ("QE") monetary policy and fluctuations of emerging markets and countries, so international economic situation will remain complicated. The International Monetary Fund (IMF) expected a 2.9% growth of global economy in 2014. Wherein, the U.S. economy will continue a moderate recovery trend and is expected to grow by 2.7%. Euro zones are expected to bottom up and regain slight recovery, with growth rate estimating at 0.9%. Due to recession in mining investments and currency appreciation, the Australian economy will continue the downward trend, and is expected to have a growth of 2%-3%. Meanwhile, the exit of QE monetary policy of the Federal Reserve will not only affect U.S. economy, but also impose enormous pressure on global capital costs and liquidity and even emerging markets and economies.

In respect of container business, ALPHALINER estimates that around 1.46 million TEUs of new ships will be launched in the entire year of 2014. Even taking the ship scrapping factor into consideration, the shipping industry will still be in overcapacity and hence in low steaming. However, the global authoritative institutions relating to shipping industry increased the estimates for growth in global container trade for 2014 (compared with 2013) due to the stable recovery of European, U.S. and other developed economies, so the demand for containers in the shipping industry will rise accordingly. Meanwhile, container inventory of the industry has returned to a normal level as compared with the previous corresponding year. Hence, it is expected that demand for standard dry cargo containers, reefer containers and special containers will pick up in the second half of the year.

In May 2014, the United States Department of Commerce announced to initiate an anti-dumping and countervailing investigation against 53-foot dry cargo containers imported from China. The United States International Trade Commission made a preliminary ruling in June 2014 that there were reasonable signs indicating that 53-foot dry cargo containers imported from China to the United States had caused material hindrance or substantial damage to the establishment of an industry inside United States. As a result, the anti-dumping and countervailing investigation will continue. And it is expected that (on condition that the investigation is fully extended under the United States laws and regulations, subject to the official announcements published by the United States Department of Commerce, the United States International Trade Commission and the United States Customs): (1) as to countervailing duty: the United States Department of Commerce will announce its final countervailing ruling before 8 December 2014; the United States International Trade Commission will announce its final industry injury ruling before 23 January 2015; the United States Customs will promulgate its duty order before 30 January 2015; (2) as to Anti-dumping duty, the United States Department of Commerce will announce its final anti-dumping ruling before 8 April 2015; the United States International Trade Commission will announce its final industry injury ruling before 23 May 2015; the United States Customs will promulgate its duty order before 30 May 2015. As the revenue generating 53-foot dry cargo containers only takes up a small proportion of the Group's total revenue, it is expected that the above investigation will not have a significant impact on the Group's business operations and financial conditions. The Group will continue to closely monitor the progress of the investigation.

In respect of road transportation vehicle business, as the U.S. economy is expected to continue to recover in the second half of 2014, the demand for major products will maintain stable, and the demand for flatbed vehicles should rebound from a prolonged recession. Emerging markets witness relatively stable demand for special vehicles, given the absence of new stimulus packages. China's macro-economy has been running smoothly; and the Chinese government will focus on interval regulation and directed regulation for the economy and the expected annual GDP growth ratio is no less than 7.5%. China will also gradually enforce the upgrading from National III Standard to National IV Standard for emission from diesel vehicles and gradual shift "from yellow sticker to green sticker" in relation to emission standard, to upgrade its environmental protection measures. Coupled with construction projects that will be kicked off intensively in the second half of the year, the market will develop in a favorable trend in the second half of the year. Meanwhile, six ministries of China will enhance efforts for the inspection of potential hazards of motor vehicles, and will introduce relevant policies to regulate oversize and overload vehicles on road in a stringent manner, which would promote lighter vehicles. This constitutes to be good news for large-and medium-sized special vehicle enterprises that have been operating in compliance with laws and regulations. On the other hand, the low threshold and overcapacity of the special vehicle industry will lead to intensified market competition, and stricter government control may lead to a new wave of reshuffle in the special vehicle industry.

In respect of energy, chemical and liquid food equipment business, in the first half of 2014, the natural gas consumption in China was approximately 88.7 billion cubic meters, representing an increase of 8.9% compared with the same period last year. During the Reporting Period, the natural gas imports in China increased by 14.4% to 28.3 billion cubic meters, among which the LNG imports increased by 13.9%. According to the forecast by the International Energy Agency, the overall natural gas demand in China in 2019 will be 315 billion cubic meters, almost double that of 2013. According to the forecast by Chinese government, the national natural gas consumption in 2020 will reach 420 billion cubic meters, and thus the prospects are bright for energy equipment market. The global outlook for liquid food industry remains positive, especially in developing countries.

In respect of offshore engineering business, the increase in new orders for jack-up drilling platforms slowed down due to large number of speculation orders in the past few years. As some oil companies have delayed the development of certain deep-water projects, demands for deep-water platforms have not yet been fully stimulated. Major oil service companies plan to dispose their obsolete platforms, so the replacement and evolution of obsolete platforms will be accelerated. Meanwhile, the decline in international demand will intensify competition, so mature and cost-effective products will be more favored by the market. Mainstream customers start to focus on China's offshore engineering construction capacities, and offshore engineering enterprises with good track records will win mainstream customers on a preferential basis; newcomers of the industry, as their first platforms are yet to be tested, are hard to grab new orders. Domestic customers will start to gain momentum, and more and more offshore engineering orders will rise in China. It is expected that in the second half of the year, the industry-financing integration will become closer in the offshore engineering sector, a large number of Chinese financing leasing companies will enter into the offshore engineering industry while industry groups will establish their own financing leasing companies. This will boost the sales of projects under construction and generate a number of new orders. Moreover, since the country supports the integration, investment and construction of cluster regions in the industry, backbone offshore engineering enterprises will gain more opportunities.

5.6.2. Major Risk Factors of the Group

In the second half of 2014, the Group will still face up with the following macroeconomic and policy risks against its business environment:

(1) low-growth recovery cycle in global economy, declining in China's external demand and slowdown in export growth. The drivers of market demand in some domestic industries depend on the policy guidance with unstable sustainability. The operating pressure in overseas markets is increasing;

(2) risks in RMB exchange rate fluctuation as a result of various changing factors and great volatility in global financial market;

(3) 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; human resource costs continue to rise sharply and various resource costs of fuel, land, warehouse and distribution facilities are also rising constantly, further squeezing profit margins of the real economy. Market competition pressure in some industries is increasing; and

(4) the investment risks exist in offshore engineering equipment business which is a sector requiring tremendous investment and a long payback period. There is a certain gap in competition between the Group and leading offshore engineering enterprises in South Korea, Singapore and other countries. As the entry of more domestic traditional shipbuilders and capitals, the industry competition is intensifying. The Group's offshore engineering business, given its limited resources and capacity, is faced with the challenge to maintain 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.

5.6.3 Overall Operation Targets for our Business Development and Initiatives in the Second Half of 2014

Adapting to the global economic restructuring in the second half of 2014, 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 container business, we will tighten cost management, accelerate asset turnover, and improve operational efficiency by tapping potentials within the Group. Meanwhile, we will develop new products and explore new customers, aiming at satisfying customer demands and creating values for customers, constantly strengthen efforts in market expansion of modularized construction segment and certain special container segment, both domestically and internationally. For the anti-dumping and countervailing investigation initiated by the United States, the Group has consulted professional legal advice and taken necessary measures to cope with in order to safeguard the lawful interests of the Group and all its shareholders.

In respect of road transportation vehicle business, we will improve our management based on market demands and changes. We will further enhance the market share and profitability of our mainstream products in mainstream markets, and will continue to promote and improve business layout in emerging markets so as to maintain the growth momentum. Also, we will fully unfold the modular R&D and design work of domestic third-generation semi-trainers, and strive to build prototypes for flatbed trucks in U.S. market prior to the end of the year. Moreover, we will increase investments in our advanced components manufacturing centers and CIMC Vehicle Industry Park in Guangdong.

In respect of the energy, chemical and liquid food equipment business, as for energy equipment business, the Group will continue to expand its core business, enhance its core competitive advantages, and further consolidate the leading market position as an equipment manufacturer. As such, the equipment manufacturer will actively explore new revenue sources to maintain a steady growth. As for chemical 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. In addition, the Group will devote more resources to develop special tank containers, and implement a proactive marketing strategy. As for liquid food equipment business, the Group will continue to adopt development strategies to expand its customer base. In addition, the Group will continue to consolidate and enhance competitiveness in the manufacturing of equipment and vigorously develop engineering services at the same time, to realize the development model of "key equipment + engineering service".

In respect of offshore engineering business, we will (1) strengthen the "strong project-based" management model to ensure the completion of each milestone as expected, and improve the Group's management, design and construction capacity of drilling projects to ensure the delivery of significant projects on time; (2) further develop mature products and strictly control first trial projects and self-built projects and risks, and insist on carrying out the strategy of "centering upon relatively stable markets" and focus on businesses in the North Sea market in Europe; (3) push forward lean construction products of our principal businesses and set clear objectives to the tender projects, so as to improve quality and gross margin of orders; (4) continue to build and promote the plan management system and improve the level of project budget management; (5) improve design quality, promote design fixing and reduce design changes; (6) continue to improve the management of supply chains, enhance our capability to enact procurement plans for key equipment, cultivate and optimize the long-term agreement system at a faster pace, and improve the quality of supplied materials and auxiliary parts as well as the timing.

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

5.7.1 Revenue and profit attributable to shareholders of the parent company

During the Reporting Period, the Group recorded revenue of RMB32,046.128 million (same period in 2013: RMB28,585.158 million) and profit attributable to shareholders of the parent company of RMB1,035.029 million (same period in 2013: RMB551.972 million), Please refer to relevant information set out in the section headed "3. Summary of Accounting Data and Financial Indicators", "5.1 Overview of operating results during the Reporting Period" and "5.2 Analysis of principal operations during the Reporting Period" in this announcement for details.

5.7.2 Liquidity and financial resources

During the Reporting Period, the Group recorded net cash flows from operating activities of RMB(3,169.073) million (same period in 2013: RMB(3,021.559) million), net cash flows from investing activities of RMB(4,160.208) million (same period in 2013: RMB(892.669) million) and net cash flows from financing activities of RMB5,887.153 million (same period in 2013: RMB2,924.851 million).

As at 30 June 2014, the Group's bank borrowings, debentures payable and other current liabilities (issuance of commercial papers) in aggregate amounted to RMB32,578.649 million (31 December 2013: RMB25,787.466 million).

Unit: RMB thousand

	As at 30 June 2014	As at 31 December 2013
Short-term borrowings	**12,047,633**	7,244,780
Long-term borrowings due within one year	**3,216,303**	2,410,392
Debentures payable due within one year	**2,000,000**	–
Long-term borrowings	**9,169,457**	7,761,243
Debentures payable	**4,456,183**	6,450,730
Other current liabilities (issuance of commercial papers)	**1,689,073**	1,920,321
Total	**32,578,649**	25,787,466

In the first half of 2014, the net bank loans appropriated by the Group amounted to RMB6,624.900 million (same period in 2013: RMB3,139.231 million), the increase in net appropriated bank loans was mainly due to the financing arrangement made to meet the working capital needs.

The Group's cash at bank and on hand primarily consist of cash and bank deposits. As at 30 June 2014, the Group's cash at bank and on hand amounted to RMB3,141.555 million (31 December 2013: RMB4,771.047 million). The Group has always adopted prudent financial management policies and maintained sufficient and appropriate cash on hand to repay the bank loans due ensure the development of our businesses.

5.7.3 Capital structure

The Group's capital structure consists of equity interests attributable to shareholders and liabilities. As at 30 June 2014, the Group's equity interests attributable to shareholders amounted to RMB25,021.116 million (31 December 2013: RMB24,496.128 million), the total liabilities amounted to RMB57,473.080 million (31 December 2013: RMB48,109.844 million) and the total assets amounted to RMB82,494.196 million (31 December 2013: RMB72,605.972 million). The gearing ratio was 69.67% (31 December 2013: 66.26%). The Group is committed to maintain an appropriate combination of equity and debt, in order to maintain effective capital structure and provide maximum returns for shareholders.

The Group's bank borrowings are mainly denominated in U.S. dollar, with the interest payments computed using fixed rates and floating rates. As at 30 June 2014, the Group's bank borrowings included fixed-rate borrowings of RMB2,358.285 million (31 December 2013: RMB4,170.009 million) and floating-rate borrowings of RMB22,075.108 million (31 December 2013: RMB13,246.406 million). The long-term borrowings are due within six years.

The Group's issued bonds are mainly denominated in RMB, with the interest payments computed using fixed rates of interests. As at 30 June 2014, the remaining fixed-rate bonds issued by the Group amounted to RMB6,456.183 million (31 December 2013: RMB6,450.730 million).

5.7.4 Foreign exchange risk and relevant hedge

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

As at 30 June 2014, the Group had certain open forward contracts (mainly unsettled forward contracts) denominated in U.S. dollars. The nominal value of these contracts amounted to approximately US$2,814 million. The Group had other unsettled forward contracts of Japanese Yen, Euro, Australian Dollar and GBP which amounted to JPY 2,248 million, EUR 22.54 million, AUD 15 million and GBP 6 million respectively. Pursuant to these forward contracts. The Group is required to buy/sell foreign currencies, such as U.S. Dollars, Euro, Japanese Yen, and other currencies. of contracted nominal value at agreed rates in exchange of RMB on the contract settlement dates. These forwards contracts will be settled on a net basis by comparing the market rates at the settlement dates and the agreed rates. The settlement dates of the aforesaid forwards contracts range from 7 July 2014 to 25 August 2016.

5.7.5 Interest rate risk

The Group is exposed to the market interest rate change risk relating to its interest-bearing bank loans and other borrowings. To minimize the impact of interest rate risk, the Group entered into certain interest rate swap contracts with certain banks. As at 30 June 2014, the Group held two unsettled interest rate swap contracts denominated in U.S. Dollars, the nominal principal of which totally amounted to approximately US$109 million, which will due on 28 April 2017 and 29 December 2018 respectively. As at 30 June 2014, the Group recognised the aforesaid contracts in their fair values of RMB(25.819) million as financial liabilities with changes included into profit or loss. Transaction costs on realisation have not been considered when calculating the fair values.

5.7.6 Credit risk

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

5.7.7 Pledge of assets

As at 30 June 2014, the restricted assets of the Group totally amounted to RMB612.104 million (31 December 2013: RMB2,314.506 million).

5.7.8 Capital commitments

As at 30 June 2014, the Group had capital expenditure commitments of approximately RMB10,058.434 million (31 December 2013: RMB4,096.918 million), which was mainly used for building vessels used for sale or rent, construction and acquisition of fixed assets and overseas investments.

5.7.9 Contingent liabilities

As at 30 June 2014, the Group had contingent liabilities of approximately RMB55.006 million (31 December 2013: RMB57.341 million), which was mainly due to CIMC Raffles and its subsidiaries entering into vessel purchasing and sale agreements and vessel leasing agreements with shipowners, which were involved in terms of compensation for delivery postponement and termination.

5.7.10 Significant investments and Material acquisitions or disposals of the relevant subsidiaries and associated companies

During the Reporting Period, the Group completed the acquisition of 70.00% equity interests of Brigantine International Holdings Limited and Brigantine Services Limited respectively, at a total consideration of RMB182.500 million. Brigantine International Holdings Limited and Brigantine Services Limited became non-wholly owned subsidiaries of the Group.

5.7.11 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.

5.7.12 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 2014 is approximately RMB5.62 billion, among which approximately RMB1.48 billion was actually expensed in the first half of the year, which was mainly used for investments in equities and other long-term assets. Various forms of financing arrangements will be considered in the second half of the year.

On 23 December 2013, the Company entered into share subscription agreements with COSCO Container Industries Limited, Broad Ride Limited and Promotor Holdings Limited respectively in relation to the issuance of new H shares for equity financing (the "Issuance"). Currently, the Issuance is in the process of approval.

5.7.13 Employee, training and development

As at 30 June 2014, the Group had 61,074 employees in total (same period in 2013: 58,243). The total staff cost during the Reporting Period, including Directors' remuneration, contribution to the retirement benefit schemes and share option schemes, amounted to approximately RMB2,606.387 million (same period in 2013: RMB2,308.870 million), representing approximately 8.13% of the Group's revenue (same period in 2013: 8.08%).

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.

5.7.14 Events after the balance sheet date

The Company made various announcements on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 6 February 2013, 2 May 2013 and 29 July 2013 respectively, and in China Securities Journal, Shanghai Securities News, Securities Times, Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) on 7 February 2013, 3 May 2013 and 30 July 2013 respectively, in relation to the Company's subsidiary CIMC Hong Kong entering into a sale and purchase agreement with Pteris, pursuant to which CIMC Hong Kong agreed to dispose its entire interests in Techman (Hong Kong) Limited ("Techman (HK)", a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of CIMC Hong Kong) to Pteris, so as to inject Techman (HK)'s 70.00% equity interest in CIMC Tianda into Pteris, and as consideration, Pteris agreed to issue new shares to CIMC Hong Kong (or its nominee).

As all conditions under the sale and purchase agreement have been satisfied, the sale and purchase agreement has been completed on 19 August 2014, since then, the Company's equity interest in Pteris increased to 51.32%. Therefore, Pteris has become an indirectly non-wholly owned subsidiary of the Company, while CIMC Tianda is still a subsidiary of the Company.

For details, please refer to the announcement dated 20 August 2014 published by the Company on the website of the Hong Kong Stock Exchange (www.hkexnews.hk), and the announcement ([CIMC] 2014-034) dated 21 August 2014 disclosed in China Securities Journal, Shanghai Securities News, Securities Times, CNINFO (www.cninfo.com.cn) and the website of the Company (www.cimc.com).

Disclosures under the Hong Kong Listing Rules

In accordance with paragraph 46 of Appendix 16 to the Hong Kong Listing Rules, the Company confirms that, save as disclosed herein, there has been no material change in the current information regarding the Company from the information disclosed in the 2013 Annual Report of the Company.

6 FINANCIAL REPORT

6.1 Auditing opinion

√ Unaudited □ Audited

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

The Ministry of Finance issued the Accounting Standards for Business Enterprises No.39 – fair value measurement, No.40 – the joint venture arrangement, No.41 -Disclosure of Interests in Other Entities and revised standards No.9 – Employee Compensation, No.30 – Presentation of Financial Statements, No. 33 – the Consolidated Financial Statements and No.2 – Long term Equity Investment in 2014. The above standards will take effect on 1 July 2014 and overseas listed companies are encouraged to implement them in advance. The Company is a listed company of A shares and H shares, therefore, the Group has adopted five standards in advance in preparing its 2013 Annual Report other than Accounting Standards for Business Enterprises No.41 – Disclosure of Interests in Other Entities and Accounting Standards for Business Enterprises No.2 (Revised) – Long-term Equity Investment. The Group has adopted all the above seven standards in preparing its financial statements for the period from 1 January 2014 to 30 June 2014.

6.3 Contents, Amount Corrected, Reason and Impact of Material Accounting Errors during the Reporting Period

□ Applicable √ Not applicable

6.4 Explanation on Change of Consolidated Scope Compared with the Annual Report of the Previous Year

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

(1) There were 34 subsidiaries newly included in the scope of consolidation for the current period, including Brigantine International Holdings Limited, CIMC Modern Logistics Development Co., Ltd. (中集現代物流發展有限公司), and CIMC Qianhai Finance Leasing (Shenzhen) Co., Ltd. (中集前海融資租賃(深圳)有限公司).

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

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

□ Applicable √ Not applicable

6.6 Financial Statements Prepared in Accordance with CASBE

6.6.1 Consolidated Balance Sheets (Unaudited)

Unit: RMB thousand

Item	*Note*	**30 June 2014**	31 December 2013
Assets			
Current assets:			
Cash at bank and on hand		**3,141,555**	4,771,047
Financial assets at fair value through profit or loss		**465,698**	459,679
Notes receivable		**1,470,135**	1,376,286
Accounts receivable	*1*	**14,079,494**	10,066,489
Advance to suppliers		**5,385,186**	3,393,804
Interest receivable		**7,253**	747
Dividends receivable		**1,515**	–
Other receivables		**2,877,679**	2,805,061
Inventories		**16,468,206**	15,960,590
Current portion of non-current assets		**1,644,331**	1,513,337
Other current assets		**524,368**	822,628
Total current assets		**46,065,420**	41,169,668

Item	Note	30 June 2014	31 December 2013
Non-current assets:			
Financial assets at fair value through profit or loss		**795**	934
Available-for-sale financial assets		**396,400**	396,577
Long-term receivables		**3,111,384**	2,952,418
Long-term equity investments		**1,174,730**	1,187,378
Investment properties		**324,645**	324,811
Fixed assets		**17,684,523**	13,508,082
Construction in progress		**7,195,795**	6,684,619
Intangible assets		**3,808,560**	3,699,969
Goodwill		**1,456,001**	1,395,938
Long-term prepaid expenses		**124,441**	96,075
Deferred tax assets		**914,612**	856,406
Other non-current assets		**236,890**	333,097
Total non-current assets		**36,428,776**	31,436,304
Total assets		**82,494,196**	72,605,972
Liabilities and shareholders' equity			
Current liabilities:			
Short-term borrowings		**12,047,633**	7,244,780
Financial liabilities at fair value through profit or loss		**179,795**	1,297
Notes payable		**964,408**	1,173,361
Accounts payable	*2*	**9,588,128**	7,781,645
Advances from customers		**3,595,074**	2,920,888
Employee benefits payable		**2,091,648**	2,176,741
Taxes payable		**509,992**	683,137
Interest payable		**108,374**	213,528
Dividends payable		**909,144**	197,897
Other payables		**5,177,131**	5,019,498
Provisions		**716,767**	784,481
Current portion of non-current liabilities		**5,243,611**	2,458,775
Other current liabilities		**1,689,073**	1,920,321
Total current liabilities		**42,820,778**	32,576,349

Item	*Note*	**30 June 2014**	31 December 2013
Non-current liabilities:			
Financial liabilities at fair value through profit or loss		**29,640**	27,166
Long-term borrowings		**9,169,457**	7,761,243
Debentures payables		**4,456,183**	6,450,730
Long-term payables		**257,146**	242,992
Payables for specific projects		**2,400**	3,735
Deferred tax liabilities		**319,942**	661,200
Other non-current liabilities		**417,534**	386,429
Total non-current liabilities		**14,652,302**	15,533,495
Total liabilities		**57,473,080**	48,109,844
Shareholders' equity:			
Share capital		**2,664,589**	2,662,396
Capital reserve		**754,687**	707,700
Surplus reserve		**3,121,288**	3,121,288
Undistributed profits	*3*	**15,214,903**	14,899,313
Difference on translation of foreign currency financial statements		**(795,789)**	(716,660)
Total equity attributable to shareholders of the parent company		**20,959,678**	20,674,037
Minority interests		**4,061,438**	3,822,091
Total Shareholders' equity		**25,021,116**	24,496,128
Total liabilities and total Shareholders' equity		**82,494,196**	72,605,972

6.6.2 Balance Sheet (Unaudited)

Unit: RMB thousand

Item	**30 June 2014**	31 December 2013
Current assets:		
Cash at bank and on hand	**872,803**	389,158
Financial assets at fair value through profit or loss	**123,190**	169,574
Dividends receivable	**4,443,729**	3,735,275
Other receivables	**7,102,051**	9,137,518
Other current assets	**6,769**	2,731
Total current assets	**12,548,542**	13,434,256
Non-current assets:		
Available-for-sale financial assets	**388,905**	388,905
Long-term equity investments	**6,952,231**	6,504,960
Fixed assets	**119,889**	127,271
Construction in progress	**720**	720
Intangible assets	**15,112**	15,238
Long-term prepaid expenses	**16,789**	4,696
Deferred tax assets	**208,819**	215,029
Total non-current assets	**7,702,465**	7,256,819
Total assets	**20,251,007**	20,691,075

Item	**30 June 2014**	31 December 2013
Current liabilities:		
Employee benefits payable	**785,838**	856,016
Taxes payable	**11,978**	10,283
Interest payable	**56,845**	184,734
Dividends payable	**719,439**	–
Other payables	**3,196,331**	3,547,522
Current portion of non-current liabilities	**3,392,000**	2,135,000
Total current liabilities	**8,162,431**	6,733,555
Non-current liabilities:		
Financial liabilities at fair value through profit or loss	**25,819**	26,865
Long-term borrowings	**945,000**	837,000
Debentures payable	**3,994,723**	5,993,413
Total non-current liabilities	**4,965,542**	6,857,278
Total liabilities	**13,127,973**	13,590,833
Shareholders' equity:		
Share capital	**2,664,589**	2,662,396
Capital reserve	**63,246**	8,480
Surplus reserve	**3,121,288**	3,121,288
Undistributed profits	**1,273,911**	1,308,078
Total Shareholders' equity	**7,123,034**	7,100,242
Total liabilities and total Shareholders' equity	**20,251,007**	20,691,075

6.6.3 Consolidated Income Statements (Unaudited)

Unit: RMB thousand

Item		*Note*	**From January to June 2014**	From January to June 2013
I.	**Revenue**	*4*	**32,046,128**	28,585,158
Less: Cost of sales		*4*	**26,868,640**	24,160,416
	Taxes and surcharges		**168,556**	147,141
	Selling and distribution expenses		**1,105,160**	921,175
	General and administrative expenses		**2,080,694**	1,714,217
	Financial expenses, net		**260,805**	454,826
	Asset impairment losses		**3,282**	34,838
	Add: Profit/(losses) from changes in fair value		**(342,309)**	9,741
	Add: Investment income/(loss)		**38,128**	(45,117)
	Including: Share of profit/(loss) of investments in associates and joint ventures		**25,163**	(64,960)
II.	**Operating profit**		**1,254,810**	1,117,169
	Add: Non-operating income		**57,473**	52,760
	Less: Non-operating expenses		**44,056**	9,883
	Including: Losses on disposal of non-current assets		**26,365**	1,631
III.	**Total profit**		**1,268,227**	1,160,046
	Less: Income tax expenses	*5*	**(17,892)**	444,817
IV.	**Net profit**		**1,286,119**	715,229
	Net profit attributable to shareholders of the parent company		**1,035,029**	551,972
	Minority profit/(losses)		**251,090**	163,257
V.	**Earnings per share**			
	(I) Basic earnings per share (RMB)	*6 (1)*	**0.3885**	0.2073
	(II) Diluted earnings per share (RMB)	*6 (2)*	**0.3845**	0.2070
VI.	**Other comprehensive income, net of tax**		**(88,875)**	(65,254)
	Items that may be reclassified subsequently to profit or loss			
	Change in value of available-for-sale financial assets-after tax		**(80)**	(23,309)
	Gain/(loss) of cash flow hedges-after tax		**(11,998)**	3,896
	Currency translation differences		**(76,797)**	(45,841)
VII.	**Total comprehensive income**		**1,197,244**	649,975
	Total comprehensive income attributable to shareholders of the parent company		**943,822**	465,306
	Total comprehensive income attributable to minority shareholders		**253,422**	184,669

6.6.4 Income Statement (Unaudited)

Unit: RMB thousand

Item		From January to June 2014	From January to June 2013
I.	**Revenue**	**159,046**	119,187
	Taxes and surcharges	**16,919**	15,581
	General and administrative expenses	**78,866**	199,845
	Financial expenses-net	**75,810**	96,775
	Add: Profit from changes in fair value	**(45,339)**	39,821
	Investment income	**750,046**	85,810
II.	**Operating (loss)/profit**	**692,158**	(67,383)
	Add: Non-operating income	**173**	665
	Less: Non-operating expenses	**849**	262
	Including: Losses on disposal of non-current assets	**–**	63
III.	**Total (loss)/profit**	**691,482**	(66,980)
	Less: Income tax expenses	**6,210**	(4,349)
IV.	**Net (loss)/profit**	**685,272**	(62,631)
V.	**Effect of other comprehensive (loss)/income, net of tax**	**–**	(23,309)
	Items that may be reclassified subsequently to profit or loss:		
	Change in value of available-for-sale financial assets-after tax	**–**	(23,309)
VI.	**Total comprehensive income**	**685,272**	(85,940)

6.6.5 Consolidated Cash Flow Statements (Unaudited)

Unit: RMB thousand

Item		**From January to June 2014**	From January to June 2013
I.	**Cash flows from operating activities:**		
	Cash received from sale of goods and rendering of services	**28,805,835**	24,572,443
	Refund of taxes and surcharges	**1,116,236**	1,074,747
	Other cash received relating to operating activities	**331,975**	256,763
	Sub-total of cash inflows from operating activities	**30,254,046**	25,903,953
	Cash paid for goods and services	**28,068,945**	24,710,071
	Cash paid to and on behalf of employees	**2,558,133**	2,148,977
	Payments of taxes and surcharges	**1,169,929**	1,267,328
	Other cash paid relating to operating activities	**1,626,112**	799,136
	Sub-total of cash outflows from operating activities	**33,423,119**	28,925,512
	Net cash flows from operating activities	**(3,169,073)**	(3,021,559)
II.	**Cash flows from investing activities:**		
	Cash received from disposal of investments	**10,400**	220,682
	Cash received from return on investments	**111,281**	–
	Net cash received from disposal of fixed assets, intangible assets and other long-term assets	**49,569**	203,227
	Cash received from disposal of subsidiaries	**4,836**	–
	Other cash received relating to investing activities	**383,684**	73,000
	Sub-total of cash inflows from investing activities	**559,770**	496,909
	Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	**3,963,056**	1,041,204
	Cash paid for investments	**257,314**	–
	Net cash paid for acquisition of subsidiaries	**118,532**	275,374
	Other cash paid relating to investing activities	**381,076**	73,000
	Sub-total of cash outflows from investing activities	**4,719,978**	1,389,578
	Net cash flows from investing activities	**(4,160,208)**	(892,669)

Item		From January to June 2014	From January to June 2013
III.	**Cash flows from financing activities:**		
	Cash received from capital contributions	**67,256**	201,435
	Including: Cash received from capital contributions by minority shareholders of subsidiaries	**44,359**	201,435
	Cash received from borrowings	**53,566,465**	14,047,704
	Other cash received relating to financing activities	**–**	570,599
	Sub-total of cash inflows from financing activities	**53,633,721**	14,819,738
	Cash repayments of borrowings	**46,941,565**	10,908,473
	Cash payments for distribution of dividends and profits or interest expenses	**805,003**	581,156
	Including: Cash payments for dividends and profits to minority shareholders of subsidiaries	**101,124**	38,273
	Other cash paid relating to financing activities	**–**	405,258
	Sub-total of cash outflows from financing activities	**47,746,568**	11,894,887
	Net cash flows from financing activities	**5,887,153**	2,924,851
IV.	**Effect of foreign exchange rate changes on cash and cash equivalents**	**18,942**	(174,809)
V.	**Net (decrease)/increase in cash and cash equivalents**	**(1,423,186)**	(1,164,186)
	Add: Cash and cash equivalents at the beginning of the period	**4,181,496**	4,397,512
VI.	**Cash and cash equivalents at the end of the period**	**2,758,310**	3,233,326

6.6.6 Cash Flow Statement (Unaudited)

Unit: RMB thousand

Item		From January to June 2014	From January to June 2013
I.	**Cash flows from operating activities:**		
	Cash received from sales of goods or rendering of services	**118,329**	103,604
	Cash received relating to other operating activities	**5,258,265**	8,308,198
	Sub-total of cash inflows from operating activities	**5,376,594**	8,411,802
	Cash paid to and on behalf of employees	**56,732**	48,585
	Payments of taxes and surcharges	**26,312**	43,153
	Cash paid relating to other operating activities	**3,347,421**	7,649,472
	Sub-total of cash outflows from operating activities	**3,430,465**	7,741,210
	Net cash outflows from operating activities	**1,946,129**	670,592
II.	**Cash flows from investing activities:**		
	Cash received from disposal of investments	**–**	138,987
	Cash received from returns on investments	**–**	155,821
	Net cash received from disposal of fixed assets, intangible assets	**29**	1,923
	Sub-total of cash inflows from investing activities	**29**	296,731
	Cash paid to acquire fixed assets and other long-term assets	**3,120**	6,591
	Cash paid to acquire investments	**500,000**	116,194
	Sub-total of cash outflows from investing activities	**503,120**	122,785
	Net cash flows from investing activities	**(503,091)**	173,946

Item		From January to June 2014	From January to June 2013
III.	**Cash flows from financing activities:**		
	Cash received from capital contributions	**22,896**	–
	Cash received from borrowings	**600,000**	892,047
	Sub-total of cash inflows from financing activities	**622,896**	892,047
	Cash repayments of borrowings	**1,235,000**	1,501,080
	Cash payments for interest expenses and distribution of dividends or profits	**336,734**	409,150
	Cash paid relating to other financing activities	**12,187**	16,591
	Sub-total of cash outflows from financing activities	**1,583,921**	1,926,821
	Net cash flows from financing activities	**(961,025)**	(1,034,774)
IV.	**Effect of foreign exchange rate changes on cash and cash equivalents**	**1,609**	(253)
V.	**Net increase/(decrease) in cash and cash equivalents**	**483,622**	(190,489)
	Add: Cash and cash equivalents at the beginning of the period	**386,732**	444,913
VI.	**Cash and cash equivalents at the end of period**	**870,354**	254,424

Notes:

1. ACCOUNTS RECEIVABLE

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

Unit: RMB thousand

Category	30 June 2014	31 December 2013
Containers group	**5,260,697**	2,760,476
Trailers group	**2,593,353**	2,093,979
Energy, chemistry and equipment group	**3,136,440**	2,516,083
Offshore business group	**1,414,886**	1,314,554
Airport facilities group	**483,697**	599,073
Logistics services group	**1,114,396**	1,020,275
Others	**491,461**	163,684
Subtotal	**14,494,930**	10,468,124
Less:provision for bad debts	**(415,436)**	(401,635)
Total	**14,079,494**	10,066,489

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

Unit: RMB thousand

Ageing	30 June 2014	31 December 2013
Within 1 year (inclusive)	**13,106,515**	9,175,028
1 to 2 years (inclusive)	**215,637**	358,007
2 to 3 years (inclusive)	**921,485**	719,123
Over 3 years	**251,293**	215,966
Subtotal	**14,494,930**	10,468,124
Less: provision for bad debts	**(415,436)**	(401,635)
Total	**14,079,494**	10,066,489

(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 and cash equivalents, 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 require 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 analyzed according to the aging, maturity date and number of days overdue. This Group has made the provision for the significant overdue receivables at 30 June 2014.

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 receivables to individual customers. As at the balance sheet date, the Group had a certain concentration of credit risk, as 7.60% (2013: 15.08%) 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 2014**	31 December 2013
Accounts payable for raw material procurement	**9,588,128**	7,781,645

The ageing of accounts payable is analysed as follows:

Ageing	30 June 2014	31 December 2013
Within 1 year	**9,444,398**	7,394,944
1 to 2 years	**68,033**	204,088
2 to 3 years	**21,637**	81,389
Over 3 years	**54,060**	101,224
Total	**9,588,128**	7,781,645

As at 30 June 2014, accounts payable over 1 year with a carrying amount of RMB143,730,000 (31 December 2013: RMB386,701,000) 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 2014	31 December 2013
Undistributed profits at the beginning of the year		**14,899,313**	13,392,795
Add: net profit attributable to the shareholders of the parent company for the current period		**1,035,029**	2,180,321
Less: appropriation for surplus reserve		**–**	(61,452)
Less: ordinary share dividend payable	*(1)*	**(719,439)**	(612,351)
Undistributed profits at the end of the period	*(2)*	**15,214,903**	14,899,313

(1) Dividends of ordinary shares declared during the period

	30 June 2014	31 December 2013
Dividends approved but not declared	**719,439**	–
Total proposed dividends during the period	**–**	612,351

In accordance with the resolution at the shareholders' general meeting of the Company held on 27 June 2014, the Company paid cash dividends in the amount of RMB0.27 per share to the ordinary shareholders on 31 July 2014 (2013: RMB0.23 per share), estimating the payment of dividend of RMB719,439,000 (2013: RMB612,351,000), based on the total share capital as at 30 June 2014.

(2) Undistributed profits at the end of the period

As at 30 June 2014, the net profit attributable to the parent company included an appropriation of RMB1,039,052,000 to surplus reserve made by the subsidiaries (31 December 2013: RMB895,468,000).

4. REVENUE AND COST OF SALES

Unit: RMB thousand

Item	**From January to June 2014**	From January to June 2013
Revenue from principal operations	**31,505,113**	28,142,560
Revenue from other operations	**541,015**	442,598
Total	**32,046,128**	28,585,158
Cost of sales from principal operations	**26,596,154**	23,952,601
Cost of sales from other operations	**272,486**	207,815
Total	**26,868,640**	24,160,416

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 January to June 2014**	From January to June 2013
Current income tax calculated based on tax law and related regulations	**383,707**	352,204
Change in deferred income tax	**(401,599)**	92,613
Total	**(17,892)**	444,817

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

Unit: RMB thousand

Item	**From January to June 2014**	From January to June 2013
Total profit	**1,268,227**	1,160,046
Income tax expenses calculated at applicable tax rates	**553,682**	379,479
Effect of tax incentive	**(174,596)**	(136,072)
Expenses not deductible for tax purposes	**55,679**	124,729
Other income not subject to tax	**(232,242)**	(106,925)
Utilisation of previously unrecognised tax losses	**(9,917)**	(9,476)
Tax effect of unrecognised tax losses	**48,044**	76,296
Deductible temporary differences for which no deferred tax asset was recognised	**78,881**	74,456
Effect of tax rate change on deferred tax	**2,313**	3,490
Tax refund for income tax annual filling	**–**	(1,735)
Income tax accruals for profit of foreign holding companies in current period	**3,149**	40,575
Income tax accruals for profit of foreign holding companies in current period	**(342,885)**	–
Income tax expenses for the period	**(17,892)**	444,817

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 January to June 2014	From January to June 2013
Consolidated net profit attributable to ordinary shareholders of the Company (RMB thousand)	**1,035,029**	551,972
Weighted average number of ordinary shares outstanding ('000)	**2,663,861**	2,662,396
Basic earnings per share (RMB per share)	**0.3885**	0.2073

(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 January to June 2014	From January to June 2013
Consolidated net profit attributable to ordinary shareholders of the Company (diluted) (RMB thousand)	**1,028,417**	551,972
Weighted average number of ordinary shares outstanding (diluted) ('000)	**2,674,756**	2,666,450
Diluted earnings per share (RMB per share)	**0.3845**	0.2070

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 2014	30 June 2013
Issued ordinary shares at 1 January ('000)	**2,662,396**	2,662,396
Weighted average number of new ordinary shares for the period ('000)	**1,465**	–
Effect of share options ('000)	**10,895**	4,054
Weighted average number of ordinary shares at 30 June ('000)	**2,674,756**	2,666,450

The Board of the Company was authorised to grant 60,000,000 share options (2.25% of the total of 2,664,588,601 shares issued by the Company) to the senior management and other staff. The exercisable share options during the period were 11,165,000 shares.

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 and impairment losses attributable to individual segment, net interest expenditure generated from bank deposit and bank loans 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 2014 is as follows:

Unit: RMB thousand

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

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

8. NET CURRENT ASSETS

Unit: RMB thousand

	The Group	
	30 June 2014	31 December 2013
Current assets	**46,065,420**	41,169,668
Less: current liabilities	**42,820,778**	32,576,349
Net current assets	**3,244,642**	8,593,319

	The Company	
	30 June 2014	31 December 2013
Current assets	**12,548,542**	13,434,256
Less: current liabilities	**8,162,431**	6,733,555
Net current assets	**4,386,111**	6,700,701

9. TOTAL ASSETS LESS CURRENT LIABILITIES

Unit: RMB thousand

	The Group	
	30 June 2014	31 December 2013
Total assets	**82,494,196**	72,605,972
Less: current liabilities	**42,820,778**	32,576,249
Total assets less current liabilities	**39,673,418**	40,029,723

	The Company	
	30 June 2014	31 December 2013
Total assets	**20,251,007**	20,691,075
Less: current liabilities	**8,162,431**	6,733,555
Total assets less current liabilities	**12,088,576**	13,957,520

10. CONTINGENCIES

(1) Contingent liabilities

CIMC Raffles (a subsidiary of the Company) and its subsidiaries 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 may need to assume is approximately US$8,940,000 (equivalent to RMB55,006,032).

(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 2014, 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 RMB755,907,000 (31 December 2013: RMB574,160,000).

Yangzhou CIMC Dayu Property Company Limited, a subsidiary of the Group, provided guarantees to purchasers of commodity homes by way of secured loans. The amount of guarantees was approximately RMB152,610,000 as at 30 June 2014.

(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 2014, the Group had bills issued but not accounted for and outstanding letters of credit totalling RMB911,689,000 (31 December 2013: RMB904,044,000).

As at 30 June 2014, CIMC Raffles had outstanding balance of performance guarantees issued by relevant banks totalling US$726,413,764 (equivalent to RMB4,469,478,607), all of which were issued for vessel purchasers (31 December 2013: RMB4,408,278,000).

As at 30 June 2014, TAS had outstanding balance of guarantees issued by relevant banks totalling RMB280,657,000, of which balance of performance guarantees, bid guarantees, quality guarantees and guarantees provided to suppliers was RMB193,560,000, RMB19,127,000, RMB15,761,000 and RMB51,886,000, respectively (total balance as at 31 December 2013: RMB141,001,000).

As at 30 June 2014, CIMC Enric had outstanding balance of letters of guarantee of RMB42,754,000, US$7,956,000 (equivalent to RMB48,951,000) and EUR7,800 (equivalent to RMB66,000), totaling RMB91,771,000, which were all performance guarantees (31 December 2013: totaling RMB58,321,000).

(4) Significant pending litigations

The semi-submersible 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, but the sales of US$142.30 million did not be received; Meanwhile, CIMC Raffles also provided advances for Schahin Holdings SA and its six connected parties for the construction of drilling platforms, and the advances of US$66.13 million did not be received yet.

As Schahin Holdings SA and its six associates failed to settle the above amounts as per the contracts, Raffles and its subsidiaries filed a lawsuit and application for arbitration against them in December 2011 and May 2012 respectively, in respect of the accounts receivable and advances. The arbitration in respect of the advances concluded in December 2012, whereby CIMC Raffles recovered the full amount of the advances of US$74.27 million (including the principal of US$66.13 million and interest of US$8.14 million) during September and October 2013. In October 2013, CIMC Raffles recovered the aforesaid accounts receivable of US$21.06 million (including the principal of US$15.98 million and interest of US$5.08 million) based on the ruling of the prearbitration in respect of the accounts receivable. In December 2013, London High Court ruled in favour of CIMC Raffles in respect of the accounts receivable of US$67.32 million (including the principal of US$53.35 million and interest of US$13.97 million), which is in the process of execution.

As at 31 December 2013, the advances have been fully recovered, with an outstanding account receivable of US$126.32 million (equivalent to approximately RMB770 million).

The arbitration hearing regarding to the accounts receivable was held between March to April 2014. On 21 May 2014, the arbitration tribunal made the second preliminary ruling, ruled BDL and SDL (the connected parties of Schahin Holdings) to pay US$77.6 million in advance to CIMC Raffles. This amount included US$67.32 million ruled by the London High Court in December 2013 in the law suit regarding to the accounts receivable, but excluding any interest.

As to the preliminary ruling set out above, CIMC Raffles has submitted an application to the New York Court for property preservation and enforcement. On 1 July 2014, the New York Court issued a court order, the main contents are: Schahin should set up a litigation reserve with a total amount of US$175 million while making any form of reorganisation, which will be used to pay the outstanding amounts due by BDL, SDL and Schahin Holdings to CIMC Raffles.

On 6 August 2014, the arbitration tribunal made the third preliminary ruling for the law suit regarding to the accounts receivable. The major dispute resolved in the ruling was the interest receivable by CIMC Raffles in accordance with the second preliminary ruling. According to the ruling, as of 9 June 2014, the interest receivable by CIMC Raffles as at 9 June 2014 for the construction contract should be US$25,164,946.

As at the date of approval of the financial statement, the litigation and arbitration in respect of the aboveaccount receivables have not been concluded and the defendant has filed a counter-charge. In accordance with the status of the legal proceedings and by reference to legal opinions, the management of the Company is optimistic about the prospects of the litigation and arbitration and will take positive measures to safeguard its shareholders' interests during the process.

11. COMMITMENTS

Significant commitments

(a) Capital commitments

Unit: RMB thousand

Item	**30 June 2014**	31 December 2013
Significant fixed assets purchase contracts entered into under performance or preparation of performance	**223,724**	125,662
Significant contracts entered into for vessels to be manufactured, for sales or lease	**9,466,889**	3,962,914
External investment approved by Board of Directors	**367,821**	8,342
Total	**10,058,434**	4,096,918

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

Unit: RMB thousand

	30 June 2014	31 December 2013
Buildings, machinery and equipment	**367,092**	8,342
Intangible assets	**729**	–
	367,821	8,342

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 2014	31 December 2013
Buildings, machinery and equipment	**3,832**	1,561

(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 2014**	31 December 2013
Within 1 year (inclusive)	**87,973**	66,332
Over 1 year but within 2 years (inclusive)	**51,677**	46,441
Over 2 years but within 3 years (inclusive)	**28,176**	28,131
Over 3 years	**57,948**	50,568
Total	**225,774**	191,472

Operating lease recognized as expenses for the period ended 30 June 2014 is RMB35,949,241 (for the period ended 30 June 2013: RMB44,069,000).

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

The Group has fulfilled the capital and operating lease commitments as at 30 June 2014.

12. SUPPLEMENTARY INFORMATION

(1) Statement of Non-recurring Profit or Loss for the First Six Months of 2014

Unit: RMB thousand

Items	**Amount**
Loss on disposal of non-current assets	**(17,825)**
Government grants recognised in profit/loss for the period	**35,531**
Gains or losses from changes in fair value arising from holding financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss, and investment gains arising from disposal of financial assets at fair value through profit or loss, financial liabilities at fair value through profit or loss and available-for-sale financial assets, except for the effective hedging activities related to the Group's ordinary activities	**(337,672)**
Net loss from disposal of subsidiaries	**(212)**
Other profit or loss items meeting the definition of non-recurring profit or loss	**342,885**
Other non-operating income and expenses other than the above items	**4,251**
Effect of income tax	**62,395**
Effect of minority interests (after tax)	**(1,016)**
Total	**88,337**

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 right 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	Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	4.89%	0.3885	0.3845
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit or loss	4.47%	0.3554	0.3515

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

Unit: RMB thousand

Assets	*Notes*	**30 June 2014**	31 December 2013	Changes in amount and percentage *Amount*	%
Cash at bank and on hand	*(1)*	**3,141,555**	4,771,047	(1,629,492)	(34%)
Accounts receivable	*(2)*	**14,079,494**	10,066,489	4,013,005	40%
Advance to suppliers	*(3)*	**5,385,186**	3,393,804	1,991,382	59%
other current assets	*(4)*	**524,368**	822,628	(298,260)	(36%)
Fixed assets	*(5)*	**17,684,523**	13,508,082	4,176,441	31%

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

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

(3) Advance to suppliers: mainly due to the prepayments for the purchase of machinery resulting from more orders accepted by the offshore engineering segment.

(4) Other current assets: mainly due to the decrease in tax deductible/withheld during the period.

(5) Fixed assets: mainly due to the transfer of vessels in construction to fixed assets during the period.

Unit: RMB thousand

Liabilities	*Notes*	**30 June 2014**	31 December 2013	**Changes in amount and percentage** *Amount*	*%*
Short-term borrowings	*(1)*	**12,047,633**	7,244,780	4,802,853	66%
Financial liabilities at fair value through profit or loss-current portion	*(2)*	**179,795**	1,297	178,498	13762%
Interest payable	*(3)*	**108,374**	213,528	(105,154)	(49%)
Dividends payable	*(4)*	**909,144**	197,897	711,247	359%
Current portion of non-current liabilities	*(5)*	**5,243,611**	2,458,775	2,784,836	113%
Debentures payable	*(6)*	**4,456,183**	6,450,730	(1,994,547)	(31%)
Deferred tax liabilities	*(7)*	**319,942**	661,200	(341,258)	(52%)

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

(2) Financial liabilities at fair value through profit or loss-current portion: mainly due to the changes in fair value of derivative financial instruments.

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

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

(5) Current liabilities due within one year: mainly due to the debentures payable due within one year that were transferred in.

(6) Debentures payable: mainly due to certain debentures upon expiry transferred to non-current liabilities due within one year during the period.

(7) Deferred tax liabilities: mainly due to reversal of withholding tax for overseas enterprises that had been identified as Chinese resident enterprises during the period.

Unit: RMB thousand

Profit and loss	*Notes*	**From January to June 2014**	From January to June 2013	Changes in amount and percentage *Amount*	%
Financial expenses, net	*(1)*	**260,805**	454,826	(194,021)	(43%)
Asset impairment losses	*(2)*	**3,282**	34,838	(31,556)	(91%)
Profit/loss from changes in fair value	*(3)*	**(342,309)**	9,741	(352,050)	(3614%)
Investment income/(loss)	*(4)*	**38,128**	(45,117)	83,245	(185%)
Non-operating expenses	*(5)*	**44,056**	9,883	34,173	346%
Income tax expenses	*(6)*	**(17,892)**	444,817	(462,709)	(104%)
Minority interests	*(7)*	**251,090**	163,257	87,833	54%

(1) Financial expenses, net: mainly due to changes of profit or loss of foreign exchange brought about by the current changes of the exchange rate.

(2) Asset impairment losses: mainly due to reversal of provision for decline in value of inventories.

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

(4) Investment income/(loss): mainly due to the increase in investment income under the equity method of the Group during the period.

(5) Non-operating expenses: mainly due to the increase in loss on disposal of fixed assets.

(6) Income tax expenses: mainly due to reversal of withholding tax for overseas enterprises that had been identified as Chinese resident enterprises in the first half of 2014.

(7) Profit/(loss) attributable to minority interest: due to the increase in profitability of enterprises in which the Group has minority equity interests during 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 requirements in the Model Code during the Reporting Period.

9 COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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

The Company has complied with the code provisions under the Corporate Governance Code set out in Appendix 14 of the Hong Kong Listing Rules during the Reporting Period, except for slightly deviation from Article A.1.1, A.6.7 and A.2.7 of code provisions. Deviations from relevant code provisions as set out in 2013 Annual Report of the Company have been partly improved. Deviations and its improvements have been disclosed in relevant paragraphs below.

9.1 The Board and its operation

During the Reporting Period, 13 meetings of the Board were held by the Seventh Session of the Board of the Company, of which 1 meeting was held on-site, 12 meetings were held in a way of written review resolutions, with 38 resolutions were reviewed. 14 meetings were held by each special Board committee, with 18 letters of opinions from Board committees were passed.

9.2 The operation of the Supervisory Committee

During the Reporting Period, 2 meetings of the Seventh Session of the Supervisory Committee of the Company were held with 5 resolutions reviewed and 1 event considered. The Supervisors were in attendance at 1 on-site meeting of the Board, and attended 2 shareholders' general meetings.

9.3 The shareholders' general meeting

During the Reporting Period, 2 general meetings were held by the Company, including the First Extraordinary General Meeting of 2014 held in Shenzhen on 7 March 2014 and the 2013 annual general meeting held in Shenzhen on 27 June 2014. The notice, convening, holding and polling procedures were in compliance with the relevant requirements of the PRC Company Law, the Articles of Association and the Hong Kong Listing Rules. The announcement on the related resolutions of the meeting was published on 8 March 2014 and 28 June 2014 in China Securities Journal, Shanghai Securities News, Securities Times and on the websites of cninfo (http://www.cninfo.com.cn), and on 7 March 2014 and 27 June 2014 on the websites of the Hong Kong Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.cimc.com).

During the Reporting Period, each operation of the Company was in compliance with rules, and the Company will continue to prioritise the establishment of the internal control system and step up efforts to improve corporate governance in strict accordance with the requirements of the PRC Company Law, the PRC Securities Law, the Hong Kong Listing Rules and the related laws and regulations, so as to raise the level of standardized operation of the Company and achieve the sustainable development of the Group.

9.4 Updates regarding to deviations from code provisions as set out in 2013 Annual Report of the Group

(a) Code A.1.1 requires that "The board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals".

During the Reporting Period, the Company convened a total of 13 Board meetings, 1 of which was regular Board meeting and 12 were interim meetings. During the management and supervision of the Group's business operations, the Company's executive Directors have brought major business or management matters to the attention of the Board to convene an interim Board meeting, and relevant decisions were made in the form of written resolutions by all directors at Board meetings. Directors of the Company are of the view that decisions relating to business needs of the Group were made fairly and effectively. In the future, the Company will continue to practice sound corporate governance conventions.

(b) Code A.6.7 requires that "Independent non-executive directors and other non-executive directors should also attend general meetings and develop a balanced understanding of the views of shareholders".

During the Reporting Period, the Company's executive Director Mai Boliang and independent non-executive Director Pan Chengwei attended the First Extraordinary General Meeting of 2014 held by the Company on 7 March 2014. Non-executive Directors Li Jianhong (Chairman), Wang Hong and Wu Shuxiong, as well as independent non-executive Directors Li Kejun and Wong Kwai Huen, Albert failed to attend the general meeting due to engagement in other important businesses in relevant time.

The Company's executive Director Mai Boliang, non-executive Director Wang Hong and all independent non-executive Directors attended the 2013 Annual General Meeting held by the Company on 27 June 2014. Non-executive Directors Li Jianhong (Chairman), Zhang Liang (Vice Chairman) and Wu Shuxiong failed to attend the general meeting due to engagement in other important businesses in relevant time.

(c) Code A.2.7 requires that "The chairman should at least annually hold meetings with the non-executive directors (including independent non-executive directors) without the executive directors present".

The Company has only one executive Director and the Company's business operation is managed and monitored by the executive Director. The Directors consider that during the Reporting Period there is no meeting which the executive Director needs to be avoided. Therefore, during the Reporting Period, the Company has not held a Board meeting without the executive Director present.

(d) Code Provision A.5.6 stipulates that "The Nomination Committee (or the Board) should have a policy concerning diversity of the board members, and should disclose the policy or a summary of the policy in the Corporate Governance Report".

The Company has revised the working guidelines for the Nomination Committee on 25 March 2014, which clarified the policy of diversity of the Board members, i.e. the selection of candidates for the Board will be based on a diverse range of areas, including, but not limited to, gender, age, cultural and educational background, professional experience, skills and knowledge. On top of the above conditions, qualities such as the candidate's comprehensive value to the Company, his/her potential contribution to the Board and requirements on diversity of the Board members will be taken into account when the final decision is made. There is no deviation in the execution of this provision.

10 AUDIT COMMITTEE

The Company has appointed independent non-executive Directors and established the Audit Committee pursuant to the requirements of the Hong Kong Listing Rules. At the end of the Reporting Period, the members of the Audit Committee under the Board consisted of Mr. Pan Chengwei (Chairman of the Audit Committee under the Board with professional qualifications and experience in relation to financial management such as accounting), Mr. Li Kejun and Mr. Wong Kwai Huen, Albert. On 22 August 2014, the Audit Committee reviewed the interim financial report of the Group for the six months ended 30 June 2014, and agreed to present the same to the Board.

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

Hong Kong, 25 August 2014

As at the date of this announcement, the Board comprises Mr. Li Jianhong (Chairman), Mr. Zhang Liang (Vice Chairman), Mr. Wang Hong and Mr. Wu Shuxiong as the non-executive Directors; Mr. Mai Boliang as the executive Director; and 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.