



CHINA INTERNATIONAL MARINE CONTAINERS (GROUP) CO., LTD.

中國國際海運集裝箱（集團）股份有限公司

(Stock Code: 2039)

First Quarterly Report of 2017

This announcement is published by China International Marine Containers (Group) Co., Ltd. (the “Company”) in the Mainland of China pursuant to the Rules Governing Listing of Stocks on The Shenzhen Stock Exchange and in Hong Kong pursuant to Rule 13.09 and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the inside information provisions (as defined under the listing Rules) set out in Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

1 IMPORTANT NOTICE

- 1.1 The board of directors of the Company, the supervisory committee and the directors, supervisors and senior management of the Company warrant that the information contained in this first quarterly report of 2017 (the “Report”) is true, accurate and complete and there are no misrepresentation, misleading statements or material omissions, and jointly and severally accept responsibility.
- 1.2 The Report was approved at the third meeting of the eighth session of the board of directors of the Company (the “Board”) in 2017. All directors attended the meeting.
- 1.3 The financial statements of the Company and its subsidiaries (the “Group”) were prepared in accordance with China Accounting Standards for Business Enterprises (“CASBE”). The financial statements in the Report are unaudited.
- 1.4 Mr. Wang Hong, Chairman of the Board, and Mr. Mai Boliang, CEO and President, and Mr. Zeng Han, the person in charge of accounting affairs, the head of accounting department and the general manager of the financial department of the Company, warrant the truthfulness, accuracy and completeness of the financial statements in the Report.
- 1.5 In the Report, RMB ordinary shares (A Shares) refer to the domestic ordinary shares 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 overseas-listed foreign shares (H Shares) refer to the overseas-listed foreign shares 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.

- 1.6 The Reporting Period means the three months started from 1 January 2017 and ended on 31 March 2017.
- 1.7 The Report is published in English and Chinese. In the event of any inconsistency between the two versions, the Chinese version shall prevail.

2 KEY FINANCIAL DATA AND CHANGES IN SHAREHOLDERS

2.1 Key accounting information and financial indicators

During the Reporting Period, whether the Company made retrospective adjustments to or restated the accounting data of previous years due to changes in accounting policies and correction of accounting errors

Yes No

| | : RMB | | |
|--|---|--|--|
| | The Reporting Period (from January to March 2017) | Corresponding period of last year (from January to March 2016) | Changes from the corresponding period of last year of the Reporting Period (%) |
| Revenue | 14,675,987 | 10,412,416 | 40.95% |
| Net profit attributable to shareholders and other equity holders of the parent company | 509,681 | 410,444 | 24.18% |
| Net profit attributable to shareholders and other equity holders of the parent company after deducting non-recurring profit/loss | 452,699 | 303,836 | 48.99% |
| Net cash flows from operating activities | 95,458 | 219,500 | (56.51%) |
| Basic earnings per share (RMB/) | 0.1624 | 0.1291 | 25.79% |
| Diluted earnings per share (RMB/) | 0.1620 | 0.1286 | 25.97% |
| Weighted average return on net assets (%) | 1.76% | 1.44% | 0.32% |
| | As at the end of the Reporting Period (31 March 2017) | As at the end of last year (31 December 2016) | Changes from the end of last year to the end of the Reporting Period (%) |
| Total assets | 129,357,960 | 124,614,748 | 3.81% |
| Net assets attributable to shareholders and other equity holders of the parent company | 29,893,910 | 29,285,970 | 2.08% |

Non-recurring profit/loss items and amount

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| Item | Amount from the beginning of this year to the end of the Reporting Period |
|---|--|
| Gain/(loss) from disposal of non-current assets | 579 |
| Government grants recognized in profit or loss for the current period | 29,520 |
| Gains or losses from changes in fair value arising from holding of financial assets held for trading and financial liabilities held for trading, and investment gains arising from disposal of financial assets held for trading, financial liabilities held for trading and available-for-sale financial assets, except for the effective hedging activities relating to the Group's ordinary activities | 37,652 |
| Other non-operating income and expenses other than the above items | 16,303 |
| Less: Effect of income tax | 17,309 |
| Effect of minority interests (after tax) | 9,763 |
| Total | <u>56,982</u> |

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 should be given

Applicable Not applicable

There are no non-recurring profit/loss items as defined or listed under the Explanatory Announcement No.1 being defined as recurring profit/loss items by the Company during the Reporting Period.

2.2 Total number of shareholders and the shareholdings of the open shareholders as at the end of the Reporting Period

(1) Total number of ordinary shareholders and shareholders of preference shares with restored voting rights and shareholdings of open shareholders

| | | | |
|---|---|--|-----|
| Total number of ordinary shareholders as at the end of the Reporting Period | 69,708, including 69,696 holders of A Shares and 12 holders of H Shares | Total number of shareholders of preference shares with restored voting rights as at the end of the Reporting Period (if any) | Nil |
|---|---|--|-----|

Shareholdings of open shareholders as at the end of the Reporting Period

| Name of shareholders | Name of shareholders | Percentage of shareholding | Number of shares held (Shares) | Number of shares with restricted selling rights held | Pledged or frozen shares | Shares | Number |
|---|---------------------------------------|----------------------------|--------------------------------|--|--------------------------|--------|--------|
| HKSCC Nominees Limited (Note) | Foreign legal person | 57.61% | 1,716,412,609 | - | - | - | - |
| COSCO Container Industries Limited | Foreign legal person | 14.51% | 432,171,843 | - | - | - | - |
| China Securities Finance Corporation Limited | State-owned legal person | 2.70% | 80,414,863 | - | - | - | - |
| Central Huijin Asset Management Ltd. | State-owned legal person | 1.28% | 37,993,800 | - | - | - | - |
| Taiping Life Insurance Co., Ltd. - Traditional - Ordinary Insurance Product - 022L-CT001 Shen | Domestic non-state-owned legal person | 0.33% | 9,817,889 | - | - | - | - |
| ICBC Credit Suisse Fund - Agricultural Bank - ICBC Credit Suisse China Securities and Financial Assets Management Program | Domestic non-state-owned legal person | 0.32% | 9,566,600 | - | - | - | - |
| Zhong Ou Fund - Agricultural Bank - Zhong Ou China Securities and Financial Assets Management Program | Domestic non-state-owned legal person | 0.32% | 9,566,600 | - | - | - | - |
| Bosera Funds - Agricultural Bank - Bosera China Securities and Financial Assets Management Program | Domestic non-state-owned legal person | 0.32% | 9,566,600 | - | - | - | - |
| Dacheng Fund - Agricultural Bank - Dacheng China Securities and Financial Assets Management Program | Domestic non-state-owned legal person | 0.32% | 9,566,600 | - | - | - | - |
| Harvest Fund - Agricultural Bank - Harvest China Securities and Financial Assets Management Program | Domestic non-state-owned legal person | 0.32% | 9,566,600 | - | - | - | - |

Shareholdings of top ten shareholders of shares in Hong Kong selling restrictions as at the end of the Reporting Period

| Name of shareholders | Number of shares in Hong Kong selling restrictions held | Types of shares | Number |
|---|---|--------------------------------|---------------|
| HKSCC Nominees Limited (Note) | 1,716,412,609 | Overseas-listed foreign shares | 1,716,412,609 |
| COSCO Container Industries Limited | 432,171,843 | RMB ordinary shares | 432,171,843 |
| China Securities Finance Corporation Limited | 80,414,863 | RMB ordinary shares | 80,414,863 |
| Central Huijin Asset Management Ltd. | 37,993,800 | RMB ordinary shares | 37,993,800 |
| Taiping Life Insurance Co., Ltd. - Traditional - Ordinary Insurance Product - 022L-CT001 Shen | 9,817,889 | RMB ordinary shares | 9,817,889 |
| ICBC Credit Suisse Fund - Agricultural Bank - ICBC Credit Suisse China Securities and Financial Assets Management Program | 9,566,600 | RMB ordinary shares | 9,566,600 |
| Zhong Ou Fund - Agricultural Bank - Zhong Ou China Securities and Financial Assets Management Program | 9,566,600 | RMB ordinary shares | 9,566,600 |
| Bosera Funds - Agricultural Bank - Bosera China Securities and Financial Assets Management Program | 9,566,600 | RMB ordinary shares | 9,566,600 |
| Dacheng Fund - Agricultural Bank - Dacheng China Securities and Financial Assets Management Program | 9,566,600 | RMB ordinary shares | 9,566,600 |
| Harvest Fund - Agricultural Bank - Harvest China Securities and Financial Assets Management Program | 9,566,600 | RMB ordinary shares | 9,566,600 |
| Explanation on the relationship or concerted action of the above mentioned shareholders | Unknown | | |
| Description of top ten ordinary shareholders participating in financing securities business (if any) | None | | |

N : A 31 M 2017, HK CC N L 1,716,412,609 H
C , 730,557,217 H C
M G L , 245,842,181 H C
CO CO C L , L H I L
CO CO C I L , 215,203,846 H H C
M L , B 2, L .

During the Reporting Period, whether any top ten ordinary shareholders or top ten ordinary shareholders without selling restrictions have conducted any agreed repurchase transactions

Yes No

None of the top ten ordinary shareholders and the top ten ordinary shareholders without selling restrictions conducted any agreed repurchase transactions during the Reporting Period.

(2) To all number of shareholders of preference shares of the Company and shareholding of open shareholders of preference shares

Applicable Not applicable

3 SIGNIFICANT EVENTS

3.1 Material changes in major accounting items and financial indicators during the Reporting Period and the reasons

In the first quarter of 2017, the global economy recovered with improved economic and trading activities in developed economies such as the Europe and the U.S. The Chinese government continued the implementation of the supply side structural reform and the economy developed in a stable and favourable momentum, achieving a good start. By virtue of the stabilization and recovery of global and China's economy, during the Reporting Period, the Group recorded revenue of RMB14,676 million (the same period of last year:

In the first quarter of 2017, the road transportation vehicle business of the Group got off to a good start in the domestic market. The growth of the domestic heavy truck market significantly promoted the growth in construction vehicles and logistics vehicles in China. The North American market continued to maintain its stable growth and the demand from some regional markets in the emerging market recovered. The European market grew steadily and Retlan Manufacturing Ltd., the newly acquired company in the U.K., facilitated the growth in revenue. During the Reporting Period, the sales revenue of the road transportation vehicle business of the Group was RMB4,130 million (the same period of last year: RMB2,959 million), representing a year-on-year increase of 39.57%, and the total sales were 35,000 units (sets) (the same period of last year: 23,500 units (sets)), representing a year-on-year increase of 48.94%.

In the first quarter of 2017, the market demand of the energy, chemical and liquid food equipment business of the Group improved by virtue of the increase in the international oil prices and the gradual market improvement upon cutting overcapacity in the industry with a year-on-year increase in number of orders. During the Reporting Period, the sales revenue of the energy, chemical and liquid food equipment business of the Group was RMB2,244 million (the same period of last year: RMB2,010 million), representing a year-on-year increase of 11.65%.

In the first quarter of 2017, due to the severe conditions of the global offshore engineering industry, the revenue of the offshore engineering business of the Group was RMB483 million (the same period of last year: RMB1,874 million), representing a year-on-year decrease of 74.20%. During the Reporting Period, CIMC Raffles Offshore Limited successfully completed the naming and delivery of the D90 ultra-deep-water semi-submersible drilling platform – BLUEWHALE I. The platform was delivered to the working area in South China Sea and commenced the national hydrate lease. CIMC Raffles made on-time delivery of the HYSY 162 Platform for CNOOC Energy Technology & Services Limited. For the new orders, CIMC Raffles acquired two orders for vessel repair and two orders for sightseeing vessels during the Reporting Period.

In the first quarter of 2017, both the volume and price of domestic logistic industry experienced a decline to a certain extent due to, among other things, the seasonal factors including Lunar New Year holiday and the decline in volume of import and export logistics business. The logistics service business of the Group proactively continued to improve its quality and create benefits in response to the development of the industry. During the Reporting Period, it recorded revenue of RMB1,655 million (the same period of last year: RMB1,615 million), representing a year-on-year increase of 2.50%.

In the first quarter of 2017, the logistics markets for logistics, ports, steel and iron and coal all started to recover and the domestic heavy truck market continued to turn around due to the commencement of a huge number of infrastructure projects for real estate, subways and high-speed railways and the support of a series of domestic economic policies. In particular, the natural gas heavy trucks enjoyed faster growth by virtue of favourable policies and cost advantages. During the Reporting Period, the heavy truck products of the Group recorded sales of 1,727 units, representing an increase of 68% as compared to the same period of last year, where the natural gas heavy trucks recorded sales of 434 units, representing a year-on-year increase of 151%. The heavy truck business of the Group achieved revenue of RMB506 million (the same period of last year: RMB304 million), representing a significant year-on-year increase of 66.55%.

In the first quarter of 2017, the boarding bridge business of the airport facilities equipment business of the Group continued to grow steadily. Significant benefits were brought about by Albert Ziegler GmbH, which established a new warehouse of spare parts for better development in the European market. The automated logistics systems business had acquired the automated sorting technology and accelerated its integration. The stereo parking business gained development momentum with its focus on the domestic market in Shenzhen in the future. During the Reporting Period, the sales revenue of the airport facilities equipment business of the Group was RMB491 million (the same period of last year: RMB471 million), representing a year-on-year increase of 4.23%.

In the first quarter of 2017, the real estate business of the Group recorded revenue of RMB111 million (the same period of last year: RMB138 million), representing a year-on-year decrease of 19.77%. During the Reporting Period, an investment agreement was entered into between the Group and Shougang Fund to cooperate and develop an industry park project in the New Shougang High-End Comprehensive Services Zone in Shijingshan District, Beijing. Yangzhou CIMC•Wenchang Center project (揚州中集•文昌中心項目) had fully commenced construction. Construction progressed smoothly. The stage III of phase V of Yangjiang Project made quick progress. The Group pushed the Shenzhen Qianhai Project and the Prince Bay Project forward in a proactive manner.

In the first quarter of 2017, the financial business of the Group recorded revenue of RMB544 million (the same period of last year: RMB525 million), representing a year-on-year increase of 3.73%. During the Reporting Period, CIMC Financial Leasing Co., Ltd. adhered to the strategic positioning of “the coordination of operation and finance” and further enhanced its professional capability to encourage the upward shift of customer groups. The investment in the new business basically reached the budgetary target, generally achieving a sound beginning. CIMC Finance Co., Ltd. continuously strengthened the centralized management of global funds of the Group and the management on capital liquidity. During the Reporting Period, it became a member of the commercial paper exchange as approved by Shanghai Commercial Paper Exchange and connected to an unified commercial paper exchange platform in China, improving the operation capacity of the Group with respect to commercial paper and facilitating the integration of industry and finance for the Group.

Material changes and the reasons

: RMB

| Income statements items | From January to March 2017 | From January to March 2016 | Percentage change | Reasons for the material changes |
|-----------------------------------|----------------------------|----------------------------|-------------------|---|
| Financial expenses | 279,251 | 119,436 | 133.81% | Mainly due to the increase in interest expenses in the financial expenses during the Reporting Period. |
| Profit from changes in fair value | 31,047 | 133,985 | (76.83%) | Mainly due to the greater profit from changes in fair value of derivative financial instruments for the same period of last year. |
| Investment income | 13,765 | (42,412) | 132.46% | Mainly due to the loss recognized in the settlement of forward foreign exchange contracts for the same period of last year. |

| Cash flow items | From January to March 2017 | From January to March 2016 | Percentage change | Reasons for the material changes |
|--|----------------------------|----------------------------|-------------------|--|
| Cash received relating to other operating activities | 618,266 | 79,260 | 680.05% | Mainly due to the partial demolition compensation received by Shanghai CIMC Reefer Containers Co., Ltd., a subsidiary of the Group, during the Reporting Period. |
| Cash received from capital contributions | 15,000 | 1,530,991 | (99.02%) | Mainly due to the greater basis for comparison formed by the capital increment from strategic investors received by a subsidiary of the Group in the same period of last year. |

3.2 Progress and impacts of significant events and the analysis of solutions

(1) Progress in establishment of internal control of the Group during the Reporting Period

In the first quarter of 2017, the Group made good progress in various important tasks in the area of internal control: (1) The Group further promoted the full coverage and upgrading of the establishment of internal control as well as the full coverage of internal control systems of the newly acquired and newly established companies. (2) The Group proactively promoted the standard certification of internal controls of the companies under the Group. It completed the standard certification of “qualified” internal controls of three companies, namely Shenzhen South CIMC Logistics Co., LTD, Shanghai Xinzhitu Logistics and Dalian CIMC Logistics Equipment Co., Ltd., during the Reporting Period. (3) The Group issued the Notice on the Commencement of the Preparation of Internal Control Manual at All Levels for 2017 to provide a rather comprehensive foundation of institutional process system for managing enterprises according to law. (4) The Group focused on the implementation of specific audit to further prevent risks. (5) The Group propelled improvement and implementation of systems to contribute for the legal system construction of the Group. (6) The Group developed internal control and audit personnel through various methods and facilitated team establishment. (7) The Group chaired the standing council meeting of China Enterprise Anti-Fraud Alliance to make deployment in respect of the communication and cooperation of the enterprises participating the alliance on strengthening risk control and the mutual development of the business of the enterprises belonging to the alliance.

(2) Implementation of A Share(s) share option scheme during the Reporting Period

In order to establish and improve the incentive-constraint mechanism, and effectively combine the interests of the shareholders, the Company and its employees, an A Share(s) Share Option Incentive Scheme was considered and approved at the extraordinary general meeting of the Company on 17 September 2010. According to the scheme, the registration for the grant of the first tranche of 54,000,000 share options (the “First Tranche of Share Options”) and the second tranche of reservation of 6,000,000 share options (the “Second Tranche of Share Options”) was completed on 26 January 2011 and 17 November 2011, respectively by the Company.

On 12 May 2015, upon the consideration and approval at the eighth meeting of the seventh session of the Board in 2015, the options of the second exercisable period for the First Tranche of Share Options met the exercise conditions and were actually exercisable starting from 2 June 2015 to 27 September 2020 with the total exercisable options amounting to 39,660,000. On 9 October 2015, upon the consideration and approval at the fourteenth meeting of the seventh session of the Board in 2015, the options of the second exercisable period for the Second Tranche of Share Options met the exercise conditions and were actually exercisable starting from 24 October 2015 to 27 September 2020 with the total exercisable options amounting to 4,132,500. On 26 July 2016, after the completion of the implementation of the 2015 dividend distribution proposal of the Company, the exercise price of the First Tranche of Share Options was adjusted to RMB10.55, and that of the Second Tranche of Share Options was adjusted to RMB16.08. For relevant information about the participants, the number of options and the price of options, please refer to the announcements of the Company (Announcement No.: [CIMC]2015-026, [CIMC]2015-027, [CIMC]2015-058, [CIMC]2015-059 and [CIMC]2016-043) published on China Securities Journal, Securities Times, Shanghai Securities News, the Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) on 13 May 2015, 10 October 2015 and 27 July 2016, as well as the relevant announcements published on the website of the Hong Kong Stock Exchange.

During the Reporting Period, a total of 691,200 options were exercised under the A Share(s) Share Option Incentive Scheme, representing 1.18% of the total of share option incentive scheme (adjusted), among which, a total of 651,200 options were exercised for the First Tranche of Share Options, and a total of 40,000 options were exercised for the Second Tranche of Share Options. The implementation of A Share(s) Share Option Incentive Scheme has no material impact on the Company's financial conditions and results of operation during the Reporting Period and in the future.

(3) Significant Events

- (a) On 7 April 2017, the Company received a notice from its first largest shareholder China Merchants Port Holdings Company Limited ("China Merchants Port") that, China Merchants Port and China Merchants Industry Holdings Company Limited ("China Merchants Industry Holdings") entered into the share transfer agreement on the same date in relation to the transfer of the entire issued share capital of Soares Limited, pursuant to which China Merchants Port shall transfer the entire share capital of its wholly-owned subsidiary Soares Limited together with the outstanding shareholders' loans to China Merchants Industry Holdings. After completion of the share transfer, China Merchants Industry Holdings will become the shareholder of Soares Limited. It will indirectly hold 730,557,217 H shares in the Company, or 24.53% of the issued share capital of the Company, and therefore become the first largest shareholder of the Company. China Merchants Port will not be a shareholder of the Company. Soares Limited will hold the same number and percentage of shares in the Company after completion of the transfer. China Merchants Group Limited ("China Merchants Group"), as the ultimate controlling shareholder of China Merchants Port and China Merchants Industry Holdings, will hold the same number and percentage of shares in the Company indirectly and remain as the indirect first largest shareholder of the Company after the transfer of the shares of Soares Limited. The share transfer of Soares Limited is subject to approval of China Merchants Group and consideration and approval at general meeting of China Merchants Port. For details, please refer to the announcements disclosed by the Company in China Securities Journal, Shanghai Securities News, Securities Times, CNINFO website (www.cninfo.com.cn) and the Company's website (www.cimc.com) ([CIMC]2017-020) and the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 8 April 2017 and 12 April 2017.

- (b) As considered and approved at the 2015 annual general meeting, the first 2016 A shareholders' class meeting and the first 2016 H shareholders' class meeting of the Company on 31 May 2016, the Company proposed to issue not more than 386,263,593 new A Shares to not more than 10 qualified investors including domestic institutional investors and individual investors who meet the relevant requirements and conditions at the issuance price of no less than RMB13.86 per Share to raise gross proceeds not exceeding RMB6.0 billion (the "Non-public Issuance of A Shares"). The Non-public Issuance of A Shares was accepted by the CSRC, but the validity period for the relevant resolutions of general meeting will expire on 30 May 2017. In order to ensure a successful implementation of the Non-public Issuance of A Shares, as considered and approved at the second meeting of the eighth session of the Board in 2017 on 21 April 2017, the Company proposed that the number of A shares to be issued will be adjusted to 391,900,718 shares (inclusive), the issue price will be adjusted to RMB15.31 per Share, and the price determination date will be changed to 21 April 2017. It is also proposed to extend the validity period of the resolution of the general meeting and the validity period of the authorization to the Board. The aforementioned adjustments are subject to the consideration and approval at the general meeting of the Company as well as the approval of the CSRC. For relevant information, please refer to the announcement (Notice No.: [CIMC]2017-024) disclosed by the Company in China Securities Journal, Shanghai Securities News, Securities Times, Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) and the announcement published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 21 April 2017.

| Summary of significant events | Date of disclosure | Search index of the announcement disclosure |
|--|-------------------------------|--|
| Change in shareholding of shareholders | 8 April 2017 12 April 2017 | www.cninfo.com.cn www.hkexnews.hk www.cimc.com |
| Adjustments in the plan of the Non-public Issuance of A Shares and extension of the validity period of the resolution of the general meeting and the validity period of the authorization to the Board | 21 April 2017 | |

3.3 Order and outstanding undertakings made by the undertaking parties including the de facto controller of the Company, shareholders, connected parties, bidders and the Company during the Reporting Period

Applicable Not applicable

There was no overdue and outstanding undertakings made by the undertaking parties including the de facto controller of the Company, shareholders, connected parties, bidders and the Company during the Reporting Period.

3.4 Estimated operating results for the period from January to June 2017

Warnings and explanations of any forecasted losses or significant changes to accumulated net profit made during the period from the beginning of the year to the end of next reporting period compared to the same period of last year

Applicable Not applicable

3.5 Securities in possession

Unit: MB

| Type of securities | Stock code | Abbreviation of stock name | Initial investment cost | Number of shares held at the beginning of the Reporting Period | | Shareholding percentage at the end of the Reporting Period | Book value at the end of the Reporting Period | Profit or loss during the Reporting Period | Classification in accordance with | Source of shareholding |
|---|------------|----------------------------|-------------------------|--|--|--|---|--|---|------------------------|
| | | | | Fair value | Number of shares held at the end of the Reporting Period | | | | | |
| H Share | 6198 | Qingdao Port | 128,589 | Fair value | 40,414,000 | 0.85% | 155,714 | 23,282 | Financial assets at fair value through profit or loss | Self-owned funds |
| H Share | 368 | Sinotrans Ship H | 20,742 | Fair value | 2,996,500 | 0.08% | 5,001 | 1,169 | Financial assets at fair value through profit or loss | Self-owned funds |
| Other securities investments held at the end of the Reporting Period | | | - | - | - | - | 19,025 | 1,098 | | |
| Total | | | <u>149,331</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>179,740</u> | <u>25,549</u> | <u>-</u> | <u>-</u> |
| Disclosure date of announcement in relation to the consideration and approval of securities investments by the Board | | | - | | | | | | | |
| Disclosure date of announcement in relation to the consideration and approval of securities investments by the shareholders' general meeting (if any) | | | - | | | | | | | |

3.6 In es men in deri a i es

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| Name of deri a i es opera or in es men | Affilia ed rela tions | Rela ed par ansac ion or no | Type of deri a i es in es men | Ini ial in es men amo n of deri a i es in es men | Date of commencement | Date of termina ion | In es men amo n a he beginning of he Re por ing Period | P rchase d ring he Re por ing Period | Sales d ring Re por ing Period | Pro ision for impairmen (if an) | In es men amo n a he end of he Re por ing Period | Pro por tion of in es men amo n a he end of he Re por ing Period | Ac al profi or loss d ring he Re por ing Period |
|---|-----------------------|-----------------------------|-----------------------------------|--|----------------------|---------------------|--|--------------------------------------|--------------------------------|----------------------------------|--|--|---|
| HSBC, Standard Chartered and other banks | Nil | No | Foreign exchange forward contract | - | 2015/1/29 | 2018/1/29 | 219,820 | - | - | - | 242,686 | 0.81% | 2,844 |
| China Construction Bank, Standard Chartered and other banks | Nil | No | Interest rate swap contract | - | 2010/1/20 | 2021/6/28 | 10,302,060 | - | - | - | 10,239,135 | 34.25% | 5,765 |
| Total | | | | - | - | - | 10,521,880 | - | - | - | 10,481,821 | 35.06% | 8,609 |

| | |
|---|--|
| <p>Source of funds for derivatives investments</p> <p>Litigation case (if applicable)</p> <p>Disclosure date of announcement in relation to the consideration and approval of derivative investments by the Board (if any)</p> <p>Disclosure date of announcement in relation to the consideration and approval of derivative investments by the shareholders' general meeting (if any)</p> <p>Risk analysis and positions in derivatives during the Reporting Period and explanations of risk control measures (including but not limited to market risk, liquidity risk, credit risk, operation risk and law risk etc.)</p> | <p>Self-owned funds</p> <p>Not applicable</p> <p>28 March 2017</p> <p>Nil</p> <p>As of 31 March 2017, the derivative financial instruments held by the Group were mainly foreign exchange forwards and interest rate swap contracts. The risks of interest rate swap contracts were closely related to the fluctuations of interest rate. The risks carried by foreign exchange forwards were connected with the market risks relating to exchange rates and the Group's cash flow certainty of foreign currency revenues in the future. The Group's control on the derivative financial instruments was mainly reflected in: making prudent selection and determination on the type and quantity of newly-added derivative financial instruments; as to derivatives transactions, the Group developed rigorous internal approval systems and operational processes, and clarified the approval and authorisation procedures for all levels involved, so as to control the associated risks.</p> |
| <p>Changes in market prices or product fair values of derivatives invested during the Reporting Period, where specific methods and relevant assumptions and parameters used shall be disclosed in the analysis of fair values of derivatives</p> | <p>From January to March 2017, the Group's profit or loss arising from changes in fair values of the derivative financial instruments was RMB8.609 million. Fair values of the derivative financial instruments of the Group were determined based on market prices of external financial institutions.</p> |
| <p>Explanations of any significant changes in the Company's accounting policies and specific accounting principles on derivatives between the Reporting Period and the last reporting period</p> <p>Specific opinions of independent directors on the derivatives investments and risk controls of the Company</p> | <p>No</p> <p>The Company invested in exchange rate derivatives and interest rate derivatives for the purpose of the day-to-day international business operations of the Company in order to smooth the fluctuation of the operations of the Company due to the change in exchange rates and interest rates. The effect of exchange rates and interest rates on the operations of the Company was reduced to such extent that it is acceptable and under control so the operations stabilised and improved, which ensured the long-term operating or strategic objectives were to be achieved. The Company had developed rigorous internal approval systems and operational processes. The related decision-making procedures were optimised with risks under control in compliance with the requirements of the laws and regulations and without prejudice to the interests of the Company and the shareholders, in particular, the minority shareholders.</p> |

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

| Date of reception | Mode of reception | Type of parties received | Search index of the basic information researched |
|-------------------|--|---|---|
| 9 January 2017 | Telephone conference | Waterland Securities in Taiwan | Principal business conditions, investment progress, recent industrial developments and industry outlook |
| 11 January 2017 | Strategies Conference of Industrial Securities | Industrial Securities and other organizations | Same as above |
| 13 February 2017 | Field research | Perseverance Asset, China Merchants Securities and China Southern Fund | Same as above |
| 13 February 2017 | TF Securities Telephone Conference on Shipping and Container Manufacturing | TF Securities and other organizations | Same as above |
| 14 February 2017 | Bank of China Macro & Machinery Telephone Conference | Bank of China Securities and other organizations | Same as above |
| 15 February 2017 | Field research | GF Securities, Shenyin & Wanguo Securities, Jiushi Capital (玖石資本), Ping An Securities, Zhongrong Fund, Shen Zhou Mu Investment, China Merchants Securities, Penghua Fund, Yinhua Fund, Hongtu Innovation (紅土創新), Pacific Securities, Hanming Asset, Orient Securities, Yunsong Capital (雲嵩資本) and Huaizhen Asset (懷真資產) | Same as above |
| 16 February 2017 | Field research | Bosera Funds | Same as above |

| Date of reception | Mode of reception | Type of party received | Search index of the basic information researched |
|--------------------------|--|--|---|
| 17 February 2017 | Luncheon and others | Alphalex Capital Management, Insight Capital Management, Deutsche Asset Management (HK), Templeton Asset Management, LBN Advisers and Value Partners | Same as above |
| 20 February 2017 | Telephone conference | Funds Capital | Same as above |
| 20 February 2017 | Haitong Securities Machinery Strategies Telephone Conference | Haitong Securities | Same as above |
| 21 February 2017 | Field research | Zheshang Fund | Same as above |
| 22 February 2017 | Field research | Morgan Stanley | Same as above |
| 24 February 2017 | Field research | GF Securities | Same as above |
| 24 February 2017 | Field research | Essence Securities | Same as above |

3.8 Non-compliance external guarantees

Applicable Not applicable

The Company did not make any non-compliant external guarantees during the Reporting Period.

3.9 Utilization of the funds of the listed Company for non-operating purposes by the controlling shareholder and its related parties

Applicable Not applicable

There was no utilization of the funds of the listed Company for non-operating purposes by the controlling shareholder and its related parties during the Reporting Period.

4 FINANCIAL STATEMENTS

4.1 Financial statements

4.1.1 Consolidated Balance Sheet (unaudited)

Prepared by: China International Marine Containers (Group) Co., Ltd.

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| Item | Closing balance (As at 31 March 2017) | Opening balance (As at 31 December 2016) |
|---|--|---|
| Current assets: | | |
| Cash at bank and on hand | 6,786,387 | 6,325,998 |
| Financial assets at fair value through profit or loss | 179,662 | 141,160 |
| Notes receivable | 1,418,463 | 1,536,191 |
| Accounts receivable | 14,154,592 | 11,526,075 |
| Advances to suppliers | 2,527,252 | 2,165,982 |
| Interests receivable | 8,881 | 9,250 |
| Dividend receivable | 41,055 | 41,959 |
| Other receivables | 9,447,522 | 9,347,887 |
| Inventories | 17,683,618 | 17,409,515 |
| Assets classified as held for sale | 203,847 | 203,847 |
| Current portion of non-current assets | 4,320,709 | 3,941,689 |
| Other current assets | 695,863 | 702,478 |
| Total current assets | 57,467,851 | 53,352,031 |
| Non-current assets: | | |
| Financial assets at fair value through profit or loss | 329,823 | 325,187 |
| Available-for-sale financial assets | 441,528 | 442,726 |
| Long-term receivables | 13,296,859 | 13,220,242 |
| Long-term equity investments | 2,177,730 | 2,162,217 |
| Investment properties | 1,758,274 | 1,752,608 |
| Fixed assets | 21,906,549 | 22,037,261 |
| Construction in progress | 23,576,333 | 22,769,189 |
| Disposal of fixed assets | 129,766 | 130,050 |
| Intangible assets | 4,537,742 | 4,654,757 |
| Development expenditure | 53,091 | 49,990 |
| Goodwill | 2,121,131 | 2,127,893 |
| Long-term prepaid expenses | 269,686 | 246,574 |
| Deferred tax assets | 1,262,497 | 1,257,670 |
| Other non-current assets | 29,100 | 86,353 |
| Total non-current assets | 71,890,109 | 71,262,717 |
| TOTAL ASSETS | 129,357,960 | 124,614,748 |

4.1.1 Consolidated Balance Sheet (unaudited) (continued)

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| Item | Closing balance (As at 31 March 2017) | Opening balance (As at 31 December 2016) |
|--|--|---|
| Current liabilities: | | |
| Short-term borrowings | 17,103,977 | 15,729,787 |
| Financial liabilities at fair value through profit or loss | 135,597 | 141,806 |
| Notes payable | 1,596,021 | 1,551,582 |
| Accounts payable | 10,939,401 | 10,160,951 |
| Advances from customers | 4,451,401 | 3,780,694 |
| Employee benefits payable | 1,919,535 | 2,115,108 |
| Taxes payable | 1,106,661 | 1,092,030 |
| Interest payable | 432,181 | 303,375 |
| Dividends payable | 58,396 | 16,746 |
| Other payables | 6,011,773 | 5,154,073 |
| Provisions | 820,772 | 847,429 |
| Current portion of non-current liabilities | 3,642,750 | 3,667,872 |
| Other current liabilities | 2,131,229 | 1,687,762 |
| | <hr/> | <hr/> |
| Total current liabilities | 50,349,644 | 46,249,215 |
| | <hr/> | <hr/> |
| Non-current liabilities: | | |
| Financial liabilities at fair value through profit or loss | 59,900 | 61,235 |
| Long-term borrowings | 26,810,046 | 27,023,222 |
| Debentures payable | 7,986,500 | 7,986,500 |
| Long-term payables | 508,761 | 529,372 |
| Payables for specific projects | 13,112 | 9,704 |
| Deferred income | 840,590 | 839,738 |
| Deferred tax liabilities | 644,025 | 657,414 |
| Other non-current liabilities | 2,293,765 | 2,123,556 |
| | <hr/> | <hr/> |
| Total non-current liabilities | 39,156,699 | 39,230,741 |
| | <hr/> | <hr/> |
| Total liabilities | 89,506,343 | 85,479,956 |

4.1.1 Consolidated Balance Sheet (unaudited) (continued)

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| Item | Closing balance (As at 31 March 2017) | Opening balance (As at 31 December 2016) |
|---|--|---|
| Shareholders' equity : | | |
| Share capital | 2,979,268 | 2,978,577 |
| Other equity instruments | 2,058,993 | 2,049,035 |
| Including: Perpetual debt | 2,058,993 | 2,049,035 |
| Capital surplus | 3,137,669 | 3,126,585 |
| Other comprehensive income | 443,825 | 357,341 |
| Surplus reserve | 3,279,379 | 3,279,379 |
| Undistributed profits | 17,994,776 | 17,495,053 |
| | <hr/> | <hr/> |
| Total equity attributable to shareholders and other equity holders of the parent company | 29,893,910 | 29,285,970 |
| | <hr/> | <hr/> |
| Minority interests | 9,957,707 | 9,848,822 |
| | <hr/> | <hr/> |
| Total shareholders' equity | 39,851,617 | 39,134,792 |
| | <hr/> | <hr/> |
| Total liabilities and shareholders' equity | 129,357,960 | 124,614,748 |
| | <hr/> <hr/> | <hr/> <hr/> |

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4.1.2 Balance Sheet of the Parent Company (unaudited)

Prepared by: China International Marine Containers (Group) Co., Ltd.

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| Item | Closing balance (As at 31 March 2017) | Opening balance (As at 31 December 2016) |
|--|--|---|
| Current assets: | | |
| Cash at bank and on hand | 1,945,326 | 2,660,222 |
| Dividends receivables | 4,788,672 | 4,755,818 |
| Other receivables | 13,838,858 | 13,131,416 |
| Other current assets | 6,583 | 9,272 |
| Total current assets | 20,579,439 | 20,556,728 |
| Non-current assets: | | |
| Available-for-sale financial assets | 388,905 | 388,905 |
| Long-term equity investments | 9,375,276 | 9,375,276 |
| Fixed assets | 103,782 | 102,372 |
| Construction in progress | 1,379 | 844 |
| Disposal of fixed assets | 207 | - |
| Intangible assets | 14,401 | 14,466 |
| Long-term prepaid expenses | 37,922 | 40,730 |
| Deferred tax assets | 51,958 | 52,280 |
| Total non-current assets | 9,973,830 | 9,974,873 |
| TOTAL ASSETS | 30,553,269 | 30,531,601 |
| Current liabilities: | | |
| Short-term borrowings | 3,120,000 | 2,710,000 |
| Financial liabilities at fair value through profit or loss | 3 | 65 |
| Accounts payable | 1,452 | - |
| Employee benefits payable | 205,464 | 205,760 |
| Taxes payable | 3,261 | 3,646 |
| Interest payable | 178,154 | 75,755 |
| Other payable | 2,399,627 | 2,990,804 |
| Provisions | 79,104 | 79,104 |
| Current portion of non-current liabilities | 895,000 | 800,000 |
| Total current liabilities | 6,882,065 | 6,865,134 |

4.1.2 Balance Sheet of the Parent Company (unaudited) (continued)

: RMB

| Item | Closing balance (As at 31 March 2017) | Opening balance (As at 31 December 2016) |
|--|--|---|
| Non-current liabilities: | | |
| Financial liabilities at fair value through profit or loss | 2,366 | 3,296 |
| Long-term borrowings | 1,526,000 | 1,621,000 |
| Debentures payable | 7,986,500 | 7,986,500 |
| Including: Perpetual debt | 1,986,500 | 1,986,500 |
| Deferred income | 36,902 | 37,429 |
| | <hr/> | <hr/> |
| Total non-current liabilities | 9,551,768 | 9,648,225 |
| | <hr/> | <hr/> |
| Total liabilities | 16,433,833 | 16,513,359 |
| | <hr/> | <hr/> |
| Shareholders' equity: | | |
| Share capital | 2,979,268 | 2,978,577 |
| Other equity instruments | 2,058,993 | 2,049,035 |
| Including: Perpetual debt | 2,058,993 | 2,049,035 |
| Capital surplus | 3,293,970 | 3,287,149 |
| Other comprehensive income | 43,754 | 43,754 |
| Surplus reserves | 3,279,379 | 3,279,379 |
| Undistributed profits | 2,464,072 | 2,380,348 |
| | <hr/> | <hr/> |
| Total equity of shareholders and other equity holders | 14,119,436 | 14,018,242 |
| | <hr/> | <hr/> |
| Total liabilities and shareholders' equity | 30,553,269 | 30,531,601 |
| | <hr/> <hr/> | <hr/> <hr/> |

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4.1.3 Consolidated Income Statement (Unaudited)

Prepared by: China International Marine Containers (Group) Co., Ltd.

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| Item | Current amount (January to March 2017) | Previous amount (January to March 2016) |
|--|--|---|
| I. Total Revenue | 14,675,987 | 10,412,416 |
| Including: Revenue | 14,675,987 | 10,412,416 |
| II. Total cost of sales | 13,885,149 | 9,915,393 |
| Including: Cost of sales | 11,985,518 | 8,335,368 |
| Taxes and surcharges | 90,390 | 70,003 |
| Selling and distribution expenses | 555,580 | 446,256 |
| General and administrative expenses | 966,224 | 944,840 |
| Financial expenses | 279,251 | 119,436 |
| Asset impairment losses | 8,186 | (510) |
| Add: Profit from changes in fair value | 31,047 | 133,985 |
| Investment income | 13,765 | (42,412) |
| Including: Share of profit of investment in associates and joint ventures | <u>7,161</u> | <u>5,218</u> |
| III. Operating profit | 835,650 | 588,596 |
| Add: Non-operating revenue | 49,944 | 73,254 |
| Including: Gains on disposal of non-current assets | 3,641 | 5,204 |
| Less: Non-operating expense | 3,542 | 13,172 |
| Including: Loss on disposal of non-current assets | <u>3,062</u> | <u>5,076</u> |
| IV. Total profit | 882,052 | 648,678 |
| Less: Income tax expenses | <u>263,589</u> | <u>165,958</u> |
| V. Net profit | 618,463 | 482,720 |
| Net profit attributable to shareholders and other equity holders of the Company | 509,681 | 410,444 |
| Minority interests | <u>108,782</u> | <u>72,276</u> |

| Item | Current amount (January to March 2017) | Previous amount (January to March 2016) |
|---|---|--|
| VI. Other comprehensive income, net of tax | 95,687 | 211,729 |
| Other comprehensive income, net of tax, | | |

4.1.4 Income Statement of the Parent Company (unaudited)

Prepared by: China International Marine Containers (Group) Co., Ltd.

: RMB

| Item | Current amount (January to March 2017) | Current amount (January to March 2017) |
|---------------------|--|--|
| I. Revenue | 52,367 | 44,120 |
| Less: Cost of sales | 1,452 | 24,006 |

Unit: RMB thousand) (Current: China 8 700 1 T6

4.1.5 Consolidated Cash Flow Statement (unaudited)

Prepared by: China International Marine Containers (Group) Co., Ltd.

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| Item | Current amount (January to March 2017) | Previous amount (January to March 2016) |
|---|--|---|
| I. Cash flows from operating activities: | | |
| Cash received from sales of goods or rendering of services | 14,450,079 | 13,540,714 |
| Refund of taxes and surcharges | 391,644 | 301,255 |
| Cash received relating to other operating activities | 618,266 | 79,260 |
| Subtotal of cash inflows from operating activities | 15,459,989 | 13,921,229 |
| Cash paid for goods and services | 13,047,907 | 11,308,450 |
| Cash paid to and on behalf of employees | 1,583,768 | 1,406,222 |
| Payments of taxes and surcharges | 477,708 | 462,956 |
| Cash paid relating to other operating activities | 255,148 | 524,101 |
| Subtotal of cash outflows from operating activities | 15,364,531 | 13,701,729 |
| Net cash flows from operating activities | 95,458 | 219,500 |
| II. Cash flows from investing activities: | | |
| Cash received from disposal of investments | 600 | 102,074 |
| Cash received from returns on investments | 12,925 | 12,997 |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | 11,783 | 2,530 |
| Subtotal of cash inflows from investing activities | 25,308 | 117,601 |
| Cash paid to acquire fixed assets, intangible assets and other long-term assets | 737,877 | 1,969,077 |
| Cash paid to acquire investments | 751,732 | 611,484 |
| Net cash paid to acquire subsidiaries | | 3,000 |
| Subtotal of cash outflows from investing activities | 1,489,609 | 2,583,561 |
| Net cash flows from investing activities | (1,464,301) | (2,465,960) |

4.1.5 Consolidated Cash Flow Statement (unaudited) (continued)

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| Item | Current amount (January to March 2017) | Previous amount (January to March 2016) |
|--|--|---|
| III. Cash flows from financing activities: | | |
| Cash received from capital contributions | 15,000 | 1,530,991 |
| Including: Cash received from capital contributions by minority shareholders of subsidiaries | 15,000 | 1,512,689 |
| Cash received from borrowings | 14,981,820 | 24,687,837 |
| Cash received relating to other financing activities | 2,743 | 1,437 |
| Subtotal of cash inflows from financing activities | 14,999,563 | 26,220,265 |
| Cash repayments of borrowings | 12,545,816 | 19,696,107 |
| Cash payments for interest expenses or distribution of dividends or profits | 279,685 | 263,494 |
| Subtotal of cash outflows from financing activities | 12,825,501 | 19,959,601 |
| Net cash flows from financing activities | 2,174,062 | 6,260,664 |
| IV. Effect of exchange rate changes on cash and cash equivalents | (35,154) | (11,114) |
| V. Net increase in cash and cash equivalents | 770,065 | 4,003,090 |
| Add: Opening balance of cash and cash equivalents | 6,338,668 | 3,259,123 |
| VI. Closing balance of cash and cash equivalents | 7,108,733 | 7,262,213 |

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4.1.6 Cash Flow Statement of the Parent Company (unaudited)

Prepared by: China International Marine Containers (Group) Co., Ltd.

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| Item | Current amount (January to March 2017) | Previous amount (January to March 2016) |
|--|--|---|
| I. Cash flows from operating activities: | | |
| Cash received from sales of goods or rendering of services | 92,944 | 68,519 |
| Cash received relating to other operating activities | 2,330,971 | 1,517,714 |
| Subtotal of cash inflows from operating activities | 2,423,915 | 1,586,233 |
| Cash paid for goods and services | | 35,809 |
| Cash paid to and on behalf of employees | 23,594 | 27,762 |
| Payments of taxes and surcharges | 3,614 | 14,205 |
| Cash paid relating to other operating activities | 2,956,569 | 1,642,720 |
| Subtotal of cash outflows from operating activities | 2,983,777 | 1,720,496 |
| Net cash flows from operating activities | (559,862) | (134,263) |
| II. Cash flows from investing activities: | | |
| Cash received from disposal of investments | 4,500,000 | - |
| Cash received from returns on investments | 160,739 | - |
| Net cash received from disposal of fixed assets intangible assets and other long-term assets | | 3 |
| Subtotal of cash inflows from investing activities | 4,660,739 | 3 |
| Cash paid to acquire fixed assets, intangible assets and other long-term assets | 6,024 | 1,762 |
| Cash paid to acquire investments | 5,200,000 | - |
| Cash paid relating to other investing activities | 300,000 | - |
| Subtotal of cash outflows from investing activities | 5,506,024 | 1,762 |
| Net cash flows from investing activities | (845,285) | (1,759) |

4.1.6 Cash Flow Statement of the Parent Company (unaudited) (continued)

: ~~¥~~MB

| Item | Current amount (January to March 2017) | Previous amount (January to March 2016) |
|---|--|---|
| III. Cash flows from financing activities: | | |
| Cash received from capital contributions | | 18,303 |
| Cash received from borrowings | 2,470,000 | 206,000 |
| Subtotal of cash inflows from financing activities | 2,470,000 | 224,303 |
| Cash repayments of borrowings | 2,060,000 | 61,000 |
| Cash payments for interest expenses or distribution of dividends or profits | 19,737 | 15,996 |
| Subtotal of cash outflows from financing activities | 2,079,737 | 76,996 |
| Net cash flows from financing activities | 390,263 | 147,307 |
| IV. Effect of exchange rate changes on cash and cash equivalents | 1 | 18 |
| V. Net increase in cash and cash equivalents | (1,014,883) | 11,303 |
| Add: Opening balance of cash and cash equivalents | 1,715,470 | 652,865 |
| VI. Closing balance of cash and cash equivalents | 700,587 | 664,168 |

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4.2 Auditor's report

Whether the first quarterly report has been audited

Yes No

The first quarterly financial report of the Company for 2017 has not been audited.

By order of the Board
China International Marine Containers (Group) Co., Ltd.
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Hong Kong, 27 April 2017

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MAI B (☒ - _____), M. ANG _____ M. LI C _____; M.
K H , A _____ M. BAN C _____, M. BAN _____ M. ONG