

# 2016 INTERIM REPORT





This document has been prepared by China International Marine Containers (Group) Co., Ltd. (the " Company" ) and is solely for use at the presentation only. Copying, reproduction or redistribution of this document to any person is strictly prohibited. The information contained in this document has not been independently verified. No representation or warranty express or implied is made as to, and no reliance shall be placed on, the fairness, accuracy, completeness or correctness of such information or opinions contained herein. The purpose of this document is not for a complete or full analysis of any financial or trading position or prospect of the Company, and any person who will be in possession of this document shall be aware that no reliance shall be placed on any content contained herein for whatever purpose. The information and opinions contained in this document are subject to change without notice, nor will the document be updated to reflect any developments which may occur after the date of this document. The Company or any of its subsidiaries affiliates, advisors or their respective representatives shall not have any liability whatsoever (direct or indirect, in negligence or otherwise) for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection with this document.

This document contains forward-looking statements that are subject to assumptions, risks and uncertainties. These forward- looking statements are generally expressed in forward-looking expressions, such as expectations, estimation, planning, projections, goals, possibilities, probabilities or so on to reflect the actions that the Company expect to or may take in the future or the results from these actions. You should not place any reliance on these forward-looking statements. Actual results may differ from these forward-looking statements.

This document is not intended to constitute an offer to, or a solicitation for offer to, sell, purchase or subscribe for any securities or to hold any securities nor shall it or any part of it form the basis of or being relied on in connection with any contract or commitment whatsoever. In particular, no person shall use or reproduce this document or any content herein in connection with any offering of securities or solicitation or invitation to invest in or hold any securities.

NO SECURITIES OF THE COMPANY MAY BE OFFERED OR SOLD IN THE UNITED STATES ABSENT REGISTRATION UNDER THE US SECURITIES ACT OF 1933 (" SECURITIES ACT" ), OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS OF THE UNITED STATES. BY ACCEPTING THIS DOCUMENT, YOU ARE AGREEING TO MAINTAIN ABSOLUTE CONFIDENTIALITY REGARDING THE INFORMATION CONTAINED IN THIS DOCUMENT. NO PART OF THIS DOCUMENT MAY BE DISTRIBUTED, REPRODUCED, TAKEN OR TRANSMITTED INTO AUSTRALIA, CANADA, EUROPEAN ECONOMIC AREA, FRANCE, IRELAND, ITALY, JAPAN, THE PEOPLE' S REPUBLIC OF CHINA, SINGAPORE, SWITZERLAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM OR THE UNITED STATES (INCLUDING ITS TERRITORIES AND POSSESSIONS). ANY FAILURE TO COMPLY WITH THE RESTRICTIONS MAY CONSTITUTE A VIOLATION OF THE RELEVANT SECURITIES LAWS. THE DISTRIBUTION OF THIS DOCUMENT IN OTHER JURISDICTIONS MAY BE RESTRICTED BY LAW, AND PERSONS INTO WHOSE POSSESSION THIS DOCUMENT COMES SHOULD INFORM THEMSELVES ABOUT, AND OBSERVE, ANY SUCH RESTRICTIONS. THIS PRESENTATION MATERIAL DOES NOT CONSTITUTE A PROSPECTUS WITHIN THE MEANING OF THE SECURITIES ACT.





In the first half of 2016, the global economic recovery still remained difficult, the demand from developed countries was sluggish, the growth of emerging economies was slow, and the international trade continued suffering from a downturn. The international financial environment was complex and volatile, and Brexit increased the fluctuation of the global financial environment. China's economic growth slowed down, exports continued shrinking, RMB exchange rate fluctuation intensified, and economic operational risk increased.







In the first half of 2016, due to weak global economy and continued slowdown in China' s exports, the growth of shipping trade was weak, and the operation results of container shipping companies continued deteriorating, with the prospect of the market appearing to be relatively gloomy.

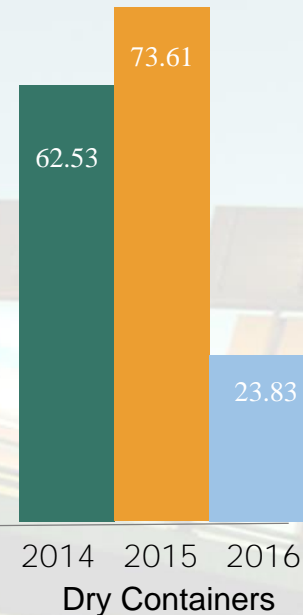
Some large-sized container shipping companies and container leasing companies, which carried out merger or acquisition in succession in the previous year, were in the period of integration. All these factors resulted in customers' generally postponing capital investment with their purchasing demand for newly built containers weakened.



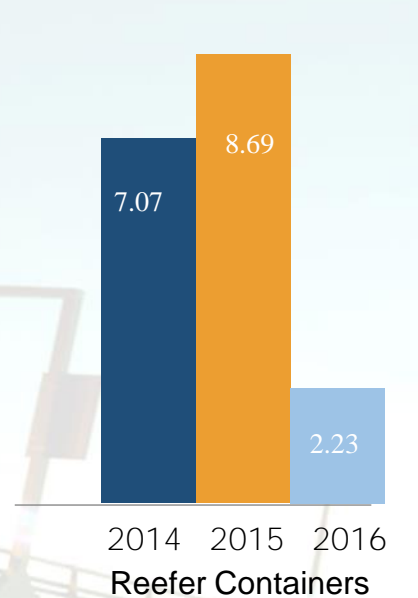
In the first half of 2016, The container business recorded a revenue of RMB4,898.618 million, representing a year-on-year decrease of 60.74%; and the net loss was RMB139.632 million ,representing a year-on-year loss

In the first half of 2016 The lowering of demand and the relative overcapacity made the competition in container manufacture industry more intensified, consequently, the price of containers was at a low level as a whole. However, the number of orders of the same period in the previous year was relatively at a high level, and the year-on-year base was high, as a result,we recorded a sharp year-on-year decrease in the sales volume and the revenue of containers of the Group during the Reporting Period.

sales volume  
10 thousand TEU



sales volume  
10 thousand TEU





The relocation project of containers in Fenggang of Dongguan City was still in an orderly way, and it is expected that the production line for the Phase I of this project would be completed and put into operation in the first half of the next year;

The relocation of the Qingdao cold chain industry park project has already been completed and put into operation, which may satisfy the steadily growing market demand for special reefers.



In the second half of this year, for container business, the Group will still focus on connotative optimization and consolidation of its leading position in the industry, and pay attention to seizing the opportunity in market fluctuations; continue to adopt measures including active shrink and capacity adjustment to save expense and improve efficiency;

In the second half of this year, for container business, the Group will still focus on connotative optimization and consolidation of its leading position in the industry, and pay attention to seizing the opportunity in market fluctuations; continue to adopt measures including active shrink and capacity adjustment to save expense and improve efficiency;



Based on the latest prediction of CLARKSON (an authoritative analysis institution in the industry), the growth of global container trade will be approximate 3.8% in 2016, which is still in a lower level although improved compared to the previous year.

It is expected that the imbalanced status of supply and demand in the shipping industry will remain unchanged, so that the decreasing results of container shipping companies and delay of shrink on capital investment resulting from mergers and acquisitions activities will cause a continually weak demand for containers. The overall market is in inadequate demand apart from special reefer business.







In the first half of 2016, the Group's road transportation vehicle business achieved sales of 58,231 units, representing a slight year-on-year decrease of 2.12%.

In the second half of this year, the Group will continue to strive for comprehensively improving the core competencies of global operations. The Group will focus on exploring new business and innovation business while developing existing business so as to realise the continuous quality growth.

In domestic market, the Group will seek for more sources of revenue by developing new business. In North American market, the Group will capture market opportunities to expand its production capacity properly, extend the geographical coverage of its products and increase its product types and achieve sustainable growth models. In European market, the Group will continue to seek for future growth drivers. In emerging markets, the Group will develop key markets and ensure the steady development of mature regions.

In the second half of this year, the government will continue to proactively stabilise the growth in the PRC market. It is expected that the year-on year decrease in the special vehicles market of the PRC would be narrowed in the second half of the year.

In the overseas market, the Europe will continue to implement easing policies to realize slow market recovery by virtue of investment and export; slower cycle for the U.S. Federal Reserve to raise interest rate will alleviate the decreasing demand trend in emerging markets; and the continuing economic recovery of the U.S. and continual strong freight index will form a stable marketing supporting



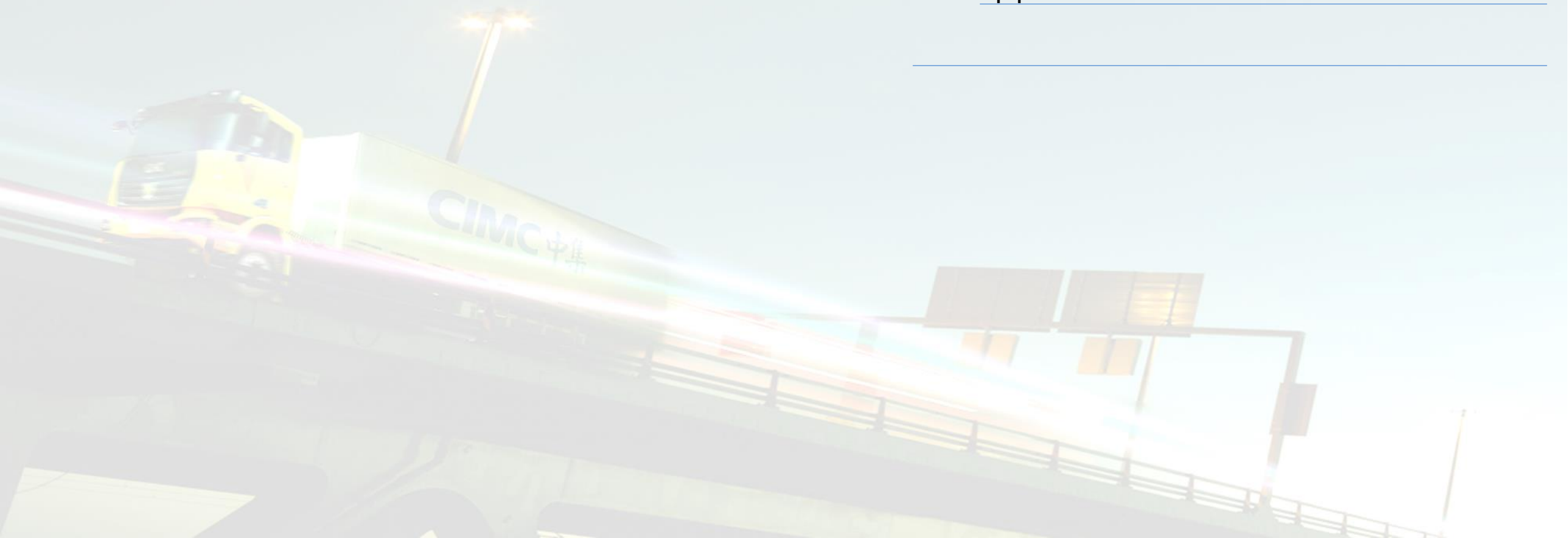
---

---

**Energy  
equipment  
Chemical  
equipment**

---

---





In the second half of this year, in general, the costs will be reduced through internal optimization, and the integration of newly merged enterprises will be strengthened. The energy equipment segment will continuously reduce production costs, improve innovation level, actively explore overseas markets opportunity, and enhance the





Continuously affected by the low international oil price, the sharp drop in the global offshore engineering equipment market continued in the first half of 2016. Global mainstream marine petroleum drilling companies (such as Transocean Ltd, Ensco plc and Seadrill Ltd.) postponed the delivery of platforms under construction, and they did not place orders.

In 2015, a total of 257 orders of offshore engineering equipment were completed worldwide, representing a year-on-year decrease of 64%. From January to June in 2016, a total of 36 orders of offshore engineering equipment were completed worldwide.



In the first half of 2016, the offshore engineering business of the Group recorded a sales revenue of RMB3,703.689 million, representing a year-on-year decrease of 26.56%. Besides, the Group recorded a net loss of RMB3.988 million (same period in 2015: gaining a profit of RMB18.658 million).

In the "winter of offshore engineering industry", CIMC Raffles strived to overcome difficulties and focused on strategic products, and obtained an order from CNOOC Energy Technology & Services Limited in terms of the jack-up drilling platform No.162 for marine petroleum during the Reporting Period. Meanwhile, it actively expanded its new businesses and delivered a 5-year special inspection project in connection with 2 semi-submersible drilling platforms during the Reporting Period. CIMC Raffles has 14 orders in hand, with the contract amount approaching USD4 billion.

On 8 June 2016, under the leadership and sponsorship of National Development and Reform Commission, Ministry of Finance and Ministry of Industry and Information Technology, China Advanced Manufacturing Industry Investment Fund was established in Beijing. As a superior enterprise in the area of offshore engineering general assembly construction, the Group signed a cooperation framework agreement with SDIC Investment Management Co., Ltd. which is the manager of China Advanced Manufacturing Industry Investment Fund.



In the second half of this year, the Group will shrink capacity according to the market situation and strive to reduce 30% of the cost and increase 30% of the efficiency, focusing on creating advantages in cost and delivery time.

Meanwhile, through moderately related multivariate exploration and expansion, the Group will substantially enter into the new business which is able to stabilize oil price fluctuations, such as offshore power equipment, sea water desalination equipment and other offshore engineering equipments in marine economic realm (excluding offshore gas exploitation) based on its existing capabilities.



It is expected that the international oil prices will remain low for a period of time in the future. It is hard to change the downturn condition of the offshore engineering equipment markets this year.

Global offshore engineering manufacturing enterprises face with risks including abandonment of ships by customers and project assets impairment. Currently, it is in a periodically difficult period.

With the gradual rebounding of oil prices in the future and the integration of offshore engineering industry, the delayed or pending offshore oil and gas projects may get back on the agenda again, and in a medium and long term, the offshore engineering market still has room for development.





In the first half of 2016, the domestic logistics services industry remained generally





In the second half of this year, the Group' s logistics business will follow closely the national strategies to continue to improve the network distribution at home and abroad; continue to seize favourable period of state' s policies to actively develop multimodal transport business;

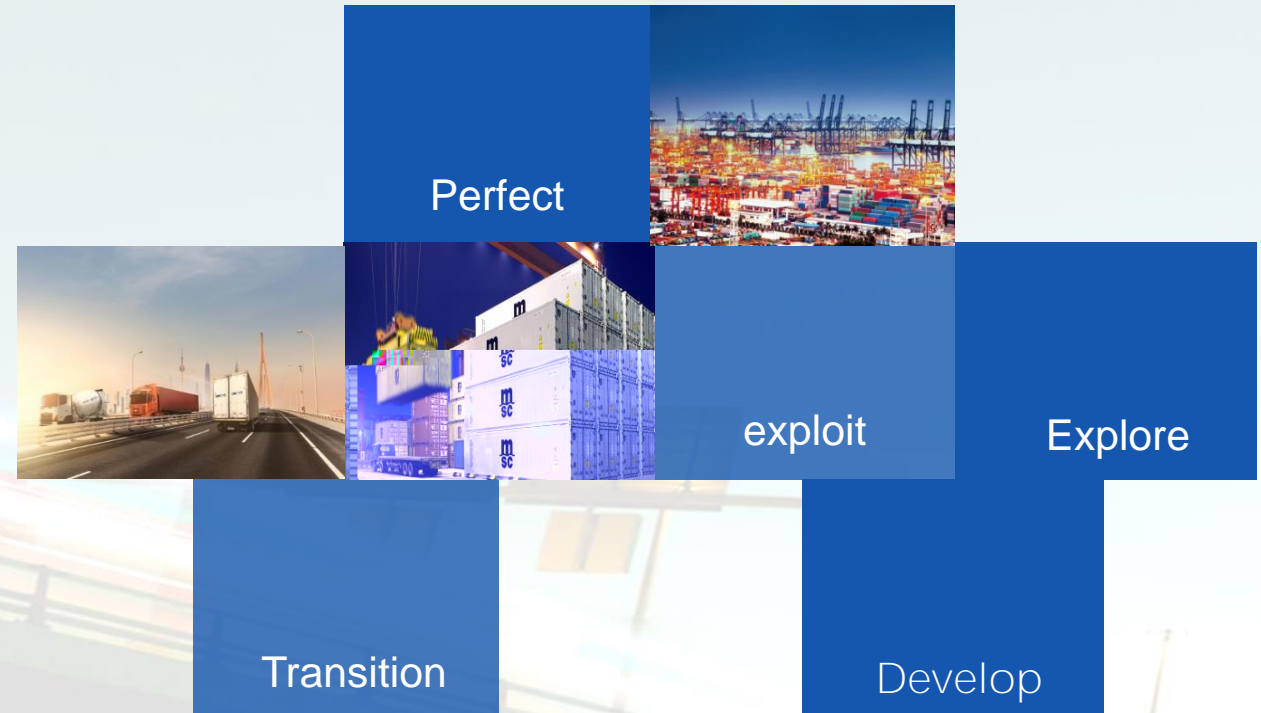
Change and improve the logistics by equipment technology and gradually establish the leading advantages of " Internet + technological innovation" ;

Train a compound team with skills of " logistics + vessel + equipment + management" so as to establish core competitiveness for " equipment+ service" .



In the second half of this year, the global trade and shipping markets will remain running at a low level along.

It is expected that the logistics industry is hard to see obvious rebound, and the Chinese government will drive industrial transformation and upgrading with regional integration and development and encourages opening-up externally. Coupled with the concrete implementation of the " Belt and Road" strategies, the continuous internationalization of Renminbi and the extension of bilateral free trade agreements, it will constantly bring forth with enlarged demand for logistics services as well as stricter professionalisation requirements. The development of logistic industry in China is faced with more challenges and opportunities.





In the first half of 2016, the domestic economy remained a low growth. Except for the real estate industry, fixed investment, highway transport and bulk cargo transport like coal which are closely associated with the heavy-duty truck industry experienced slower growth or negative growth. However, after profound adjustment in 2015, the heavy-duty truck industry witnessed a substantial rebound driven by strong demand for renewal and industrial restructuring of certain downstream industries. The overall sales of the domestic heavy truck market in the first



In the first half of 2016, the sales of C&C Trucks amounted to 3,003 units, representing 50% of the annual goals, of which high-end and high-horsepower tractors (over 380 horsepower) and hazardous chemical tractors pushed up, recording an increase of 216% as compared to the same period of 144 Tm5(i)-93wa30





In the second half of this year, the Group will implement the actions of annual sales volume increasing, accounts receivable clearing and inventory reducing; reduce the cost of finished vehicle and shorten the delivery cycle of products; speed up the development progress for national V Standard products, high-horsepower tractors and special chassis, comb the vehicle models with major sales and adjust the product mix; promote financial business to serve sales, strengthen the construction of distribution channels and promote marketing model innovation and further expand the oversea market, so as to achieve annual sales target.

In the second half of this year, as the real estate continues to recover and investments in railway increase, it is expected that engineering vehicles market will maintain its rapid development trend; and as hazardous goods tractors and coal transport tractors have increased at a high speed for nearly one year and the supply and demand for highway capacity have basically reached balance, the growth of hazardous goods tractors and coal transport tractors is expected to be slower. However, driven by the replacement demands, the overall tractors will keep a steady growth in the second half of this year.





In 2016, global airline business gained prosperous development and the new demands for airport facilities equipment (boarding bridges and GSE) grew steadily.

The fire and rescue services, benefited from the pushing forward of China' s urbanization, are flourishing.





In the second half of this year, the Group will continue to improve stereo garage business, explore and launch new business models such as BOT (Build Operate Transfer) and PPP (Public Private Partnership). The Group will integrate and achieve synergy over original business of Pteris; proactively accelerate the integration of CFSE, and gradually incorporate the CFSE into plate management system of the Group; deepen the mutual coordination with Ziegler, deepen the market resource sharing and cooperation with Pteris in the field of airport and logistics.

Under the new normal, the growth of the domestic infrastructure investment may slow down, and hence the demand for new airport equipment will be reduced. However, the replacement demand for the existing equipment will remain helpful to maintain steady business growth. The steady urbanisation process in China is conducive to the further development of the fire and rescue vehicle business. GSE business is expected to keep growth in China and emerging markets; boarding bridge business is basically stable, and demands for bridge loading facilities increase; demands in emerging markets for fire vehicles and special fire vehicles increase. With the rapid development of domestic e-commerce and automated logistics industry, domestic market demand for various automated logistics equipment will maintain its growth.



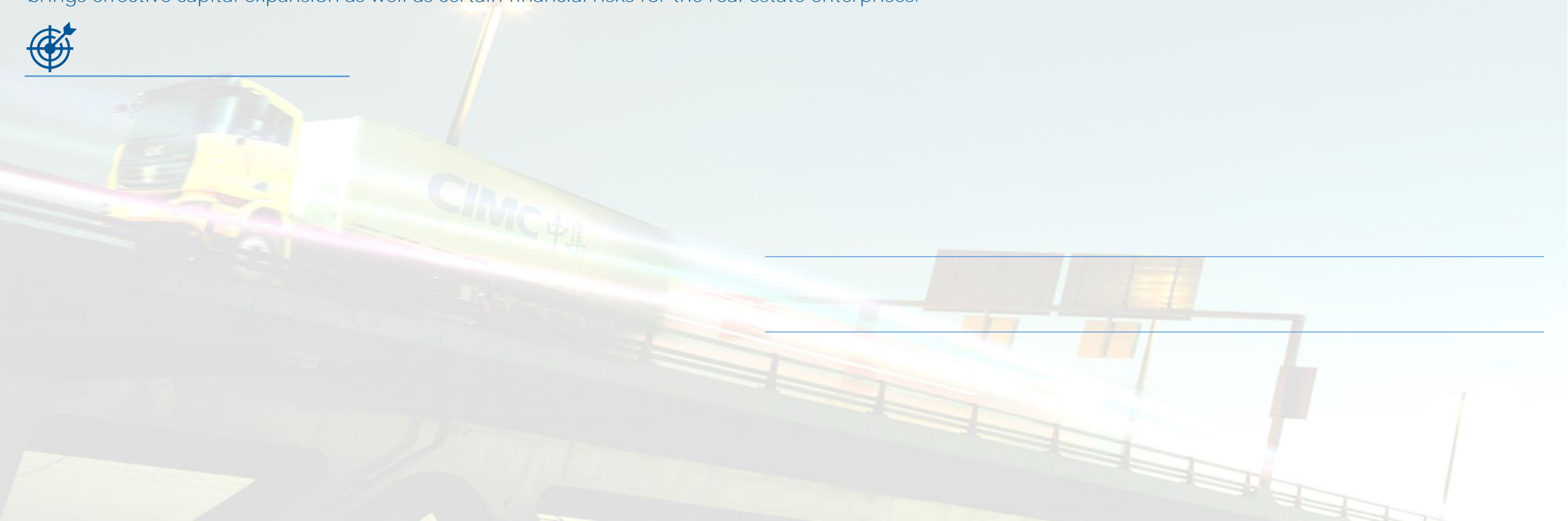
Ziegler is in the process of integration, with the operation procedures optimized and production efficiency greatly improved, hence making short supply relieved. The Group also started its integration of associated company





In the first half of 2016, benefiting from domestic stable growth policy, domestic real estate market booms quickly and operates at a higher level as a whole. Under the trends of the overall recovering market, the faith of domestic real estate enterprises to take possession of land continues to increase, and the strategy for land possession has gradually shifted to the second-tier core cities with more favourable fundamentals.

The scale of debt financing of real estate enterprises grows significantly as a result of continuously decreasing financing cost in the first half of the year, which brings effective capital expansion as well as certain financial risks for the real estate enterprises.





In the second half of this year, the Group will strengthen the contract signing and sales of Zhigu Project and Zhihui Garden Project of Songshan Lake in Dongguan and continue to promote the implementation of solutions of Qianhai Project, Shekou Prince Bay Project, Shanghai Baoshan Project and other projects and keep close communication with government authorities, striving to implement the agreements on relevant projects within this year.



In the second half of this year, it is expected that domestic policy environment regarding real estate will increasingly differentiate, third-tier and fourth-tier cities will continue to destock. Market turnover increases steadily stimulated by ease policies. However, the stocks of commercial real estate in some second-tier cities are expected to be high yet.





During the Reporting Period, in respect of the financial business, the Group achieved revenue of RMB1,114.356 million, representing a year-on-year increase of 35.06%, and net profit of RMB453.708 million, representing a year-on-year decrease of 23.14%. Such decrease in net profit was mainly due to.



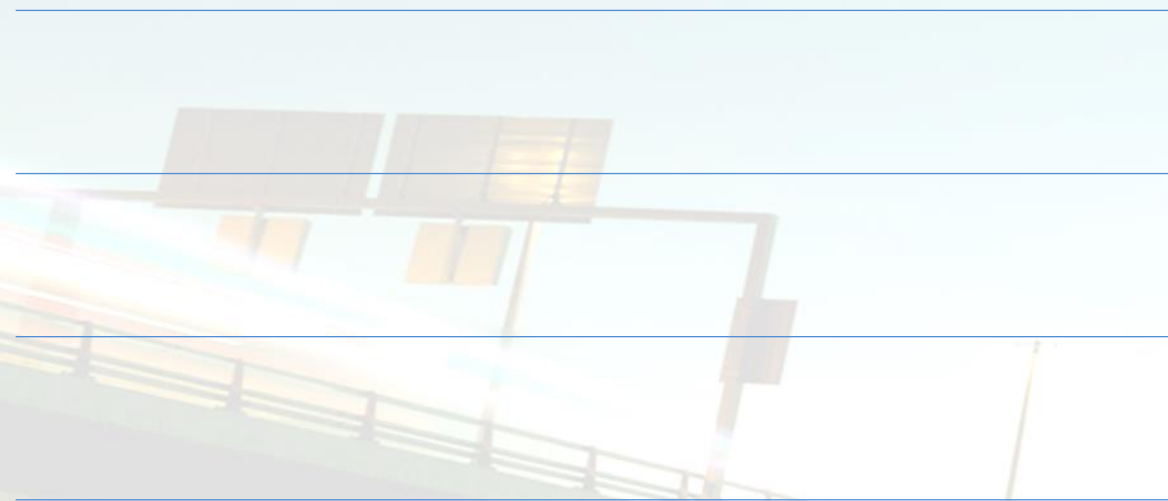
CIMC Financial Leasing Company continued to deepen the Group' s integration of industry and finance with more effort based on the three dimensions of " breadth, depth and mechanism" . It promoted upgrading of the manufacturing industry with operating coordination, enhanced the Group' s overall enterprise value with financial coordination and assisted for boosting the Group' s overall transformation with strategic coordination.

Under the guidance of the management principle which is cost-saving and benefit-increasing, prudent and steady, the capital scale expands at a steady pace, the capital quality significantly increases, and the efficiency of operation is further optimized.



CIMC Finance Company continued to deepen the centralised management of the Group' s capital. Especially by leveraging the geographical advantage and policy support of Free Trade Zone, it developed cross-border bi-directional RMB business channels for the Group and endeavoured to promote the utilisation efficiency of the Group' s global capital.

It actively reinforced the integration of industry and finance, started the purchaser' s credit business so as to boost industry development through financial services, constantly increased financial service means and enhanced the financial service to help improve the Group' s competitive strength.





In the second half of this year, CIMC Finance Company will focus on establishing timely and efficient capability in financial services, provide customized financial products through combining with actual operating conditions of the Group' s member enterprises; strengthen risk management and control.

CIMC Financial Leasing Company will continue to deepen the coordination of industry and finance, step up efforts on promotion and marketing, vigorously promote sustained growth of the fundamental businesses such as vehicles and energy and chemical, while continuing to maintain steady and prudent risk management and control policies, optimize the asset structures to improve the asset quality.



In the second half of this year, such factors as Brexit and interest rate raise of the U.S. Federal Reserve will result in greater world economic and financial risks and bring relatively significant effects to the large financing projects denominated in US dollars.

It is expected that the domestic financial leasing industry will keep forging ahead. Due to the intensifying competition of the industry and continual increase of the social financing size, the capital return will be low.

with the greater downward pressure of domestic macroeconomy, credit risks of existing businesses under financial leasing are increasing.





For land resources, based on the classification planning and the clear development model , the company will orderly revitalize them as soon as possible. The development of the company's real estate business is sustainable, the next 5 to 3 years of the company's performance will also be important.

the main focus in

and

In addition to having residential real estate business that being developed in Yangzhou, Zhenjiang, Jiangmen, Yangjiang, the group also have large plots of land to be commercialized in Shenzhen and Shanghai, mainly including Prince Bay Project , Pingshan Project, Qianhai Project, and Shanghai Baoshan Project etc. These land resources need to be negotiated with the government or through bidding, auction, listing procedures to obtain the right to development.

In the first half of 2016, the group continued to actively promote the commercialization of land and expand new areas.

T — — In the first half of 2016 China Merchants Group and Authority of Qianhai Shenzhen-Hongkong Modern Service Industry Cooperation Zone of Shenzhen (“ Authority of Qianhai” ) entered into a framework agreement in [April 14 \(to\) The Oriental Star K01D3131/ Lang \(en](#) venture company The Group continues extensive negotiations and discussing specific plans on the land in Qianhai Area with [p99\(ar\)-24\(tie\)-3\(s\)\] TJ B](#) authority of Shenzhen It is expected to implement the final agreements within this year.

— — It is expected to implement the final agreements within this year.

In August, the Company signed a strategic cooperation framework agreement with Global Logistic Properties Investment Management (China) Co., Ltd.. Under the Agreement, both parties intend to jointly develop their





In China's economic slowdown in the background, the railway freight volume is insufficient, and the road carrying capacity of 80% of the freight, freight structure is unreasonable, the domestic logistics and transport costs are still relatively high. For increasing supply, reducing logistics costs and improving efficiency, the Ministry of communications and China Railway Corporation began to promote the development of multimodal transport, and gradually open the market to the market entities.

On the basis of logistics equipment and services, the Group actively develop new business areas, business innovation and new business models .the Group started multimodal transport business in March this year and established CIMC Multimodal Transport Company.

is a transport process of mutual link-up and transshipment jointly completed by two or more kinds of vehicles. It relates to various links including dock, depot, storage, financial lease and third party logistics.

The Group possesses in resource and crossing border while starting such business. Of the Group has a profound resource foundation in container yard business, lease and customs declaration and freight agency, and is able to offer one-stop service in terms of products design, technical certification, production and solutions of logistics transportation.

plans to develo 0.494 RG[ser)-37(v)5(i)-3(ce)]T EM€ /



Foreign express cabinet development has been 10 years DHL express cabinet covering 90% of the market in Germany ; Since 2004, the Federal Express cabinet covering 50 states of the United States.

Domestic demand for self extraction has great potential:49% of the courier complaints due to the last mile delivery;Put 15 thousand express cabinet cover does not exceed 3% of the market in 2014;

The Group invested 100 million yuan, accounting for 70% of the shares, management team accounted for 30% of the shares, has completed the A round of financing last year, 800 million yuan valuation before investment, also plan to carry out B round of financing.

the company put this business as a venture capital investment project which was established in December 2014. The company does not engage in e-commerce business. The core business is to build a community public logistics platform system,Since the cabinet as a carrier to meet the electricity suppliers, logistics and distribution (delivery) in the final 100 meters range of needs, to achieve two-way interaction between users and businesses.

to cover the first tier cities with high and medium density. Plan to achieve Beijing, Shanghai, Guangzhou, Shenzhen these key first tier cities laid about 20000 terminal target. The medium term goal is to become a O2O service provider.

Has been completed in Guangzhou, Shenzhen layout, laying about 4000 terminals.Has been working with Cainiao, Jingdong, Dangdang, Resources China, Rainbow, etc..

with the improvement of the network and system, as well as the expansion of the business scale, the business will charge in the future, clear a right business model.





# H1 2016 Financial Overview



As of June 30 3 !!!	2016 (Jan-Jun)	2015 (Jan-Jun)	Increase/Decrease (PCT Pts)
<b>Sales Revenue</b>	<b>23,542,843</b>	<b>32,637,289</b>	<b>-27.87%</b>
-Container manufacturing	4,898,618	12,478,632	-60.74%
-Road transportation vehicles	7,013,354	6,682,115	4.96%
-Energy, chemical and liquid food equipment	4,338,109	4,774,432	-9.14%
-Marine engineering	3,703,689	5,043,275	-26.56%
-Airport equipment	1,128,444	883,084	27.78%
-Logistics service	3,218,617	4,267,810	-24.58%
-Heavy truck	860,359	396,090	117.21%
-Financial service	1,114,356	825,057	35.06%
-Real estate development	315,698	238,713	32.25%
Combined offset	-3,345,724	-3,644,611	
<b>Net profit attributable to parent company shareholders and other interest holders</b>	<b>-378,034</b>	<b>1,518,195</b>	<b>-124.90%</b>
EPS (RMB)			
-Basic	-0.1444	0.5681	-125.42%
-Diluted	-0.1444	0.5627	-125.66%
<i>Gross Profit Margin</i>	18.76%	15.68%	3.08%
<i>Return On Equity</i>	-1.64%	6.59%	-8.32%

# H1 2016 Financial Overview



As of June 30 (RMB !!!)	2016 (June 30)	2015 (December 31)	Increase/Decrease (PCT Pts)
<b>Total Assets</b>	114,799,917	106,763,171	7.53%
<b>Total Liabilities</b>	80,446,229	71,268,295	12.88%
<b>Short-term Borrowings</b>	18,155,292	17,909,024	1.38%
<b>Long-term Borrowings</b>	29,041,014	23,684,838	22.61%
<b>Total interest attributable to parent company shareholders and other interest holders</b>	27,625,493	28,541,319	-3.21%
<b>Total Shareholder Interest</b>	34,353,688	35,494,876	-3.22%
<b>Leverage Ratio</b>	70.08%	66.75%	

As of June 30 (RMB !!!)	2016 (Jan-Jun)	2015 (Jan-Jun)	Increase/Decrease (PCT Pts)
<b>Net cash flow generated from operating Activities</b>	933,732	-625,453	-249.29%
<b>Net cash flow generated from investment activities</b>	-5,376,277	-4,915,427	9.38%
<b>Net cash flow generated from financing activities</b>	5,570,910	6,180,113	-9.86%
<b>Capital Expenditure</b>	4,189,354	5,935,609	-29.42%

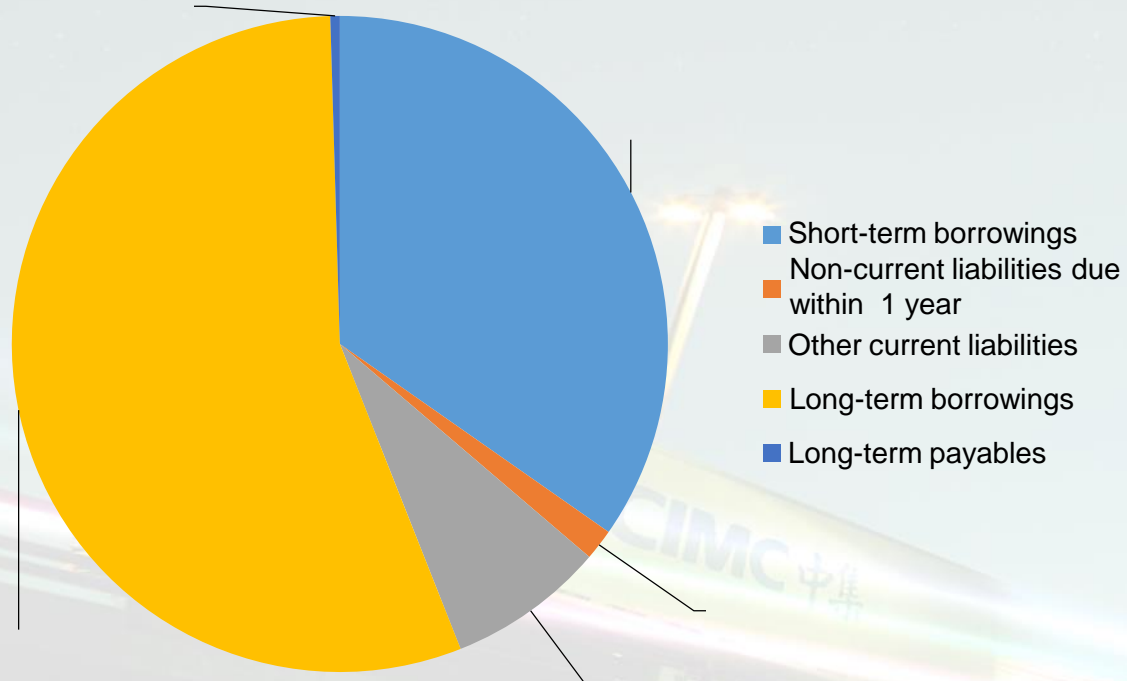




# Financing Structure



## CIMC Debt Structure as of June 30, 2016<sup>1</sup>



## Financing Structure by Segment<sup>2</sup>

Segment	Debt-to-Assets Ratio (As of June 30, 2016)	Financing Structure
Equipment and Manufacturing	Container Manufacturing	Primarily through bank loans, group equity financing and financing within the group
	Road Transportation Vehicles	
	Energy, chemical and liquid food equipment	
	Marine Engineering	
	Airport Equipment	
	Logistics Service	
	Heavy Truck	
Real Estate Development	70.51%	Primarily through bank loans, group equity financing and financing within the group
Financial Business	84.75%	Primarily through bank loans, group equity financing and financing within the group
Others	47.43%	

# A-Share Private Placement Plan Overview

<b>Issuance Type</b>	Choose appropriate timing to issue A share to no more than 10 qualified investors through book-building within 6 months after CSRC approval obtained
<b>Type and Par Value of Shares to be Issued</b>	Onshore-listed RMB A share common stock with par value of RMB 1.00/ share
<b>Investors and Subscription Method</b>	<p>Less than 10 qualified investors, including qualified securities investment fund management companies, securities companies, trust and investment companies, finance companies, insurance institutional investors, qualified foreign institutional investors, other onshore corporate and individual investors. For securities investment fund management companies which use more than 2 of their managed funds to subscribe, it will be treated as one investor; for investors which are trust&amp; investment companies, they may only use their own capital to subscribe</p> <p>After approval by CSRC obtained, the final investors will be determined by the Board of Directors and Sponsor (leading underwriters) through discussion, based on bid price from investors according to the price priority</p> <p>All investors will pay for the subscription at the same price, in cash</p>
<b>Issuance Number and Issuance Size</b>	<p>Number of shares issued will be no more than 386,263,593 (including 386,263,593), and total proceeds will not exceed RMB 6billion</p> <p>The issuance number and issuance size will be adjusted accordingly in cases of ex-rights or ex-dividend matters such as distribution of dividend, dividend payout, and placement of shares, bonus issuance and conversion of capital reserve into share capital during the period from the Price Determination Date to the issuance date</p>
<b>Issuance Price, Price Determination Date and Pricing Principle</b>	<p>The Issuance Price for the A-share Private Placement shall not be less than RMB13.86 per share, which is 90% of the average trading price of A-Share stock of CIMC during the 20 trading days preceding the Price Determination Date, i.e. RMB15.40 per A-Share (the average trading price of A-Shares over the 20 trading days preceding the Price Determination Date = the total trading value of the A-Share stock over the 20 trading days preceding the Price Determination Date/the total trading volume over 20 trading days preceding the Price Determination Date)</p> <p>The Issuance Price will be adjusted accordingly in cases of ex-rights or ex-dividend matters such as distribution of dividend, dividend payout, and placement of shares, bonus issuance and conversion of capital reserve into share capital during the period from the Price Determination Date to the issuance date</p>
<b>Lock-up Period</b>	The A Shares to be subscribed by the subscribers shall not be sold within 12 months from the date of the completion of the A-Share Private Placement
<b>Listing Venue</b>	Upon expiry of the lock-up period, the A Shares can be traded on the Shenzhen Stock Exchange
<b>Distribution of the Accumulated Profits Before the Issuance</b>	To safeguard the interest of the existing and new shareholders after completion of the Issuance, all the existing and new shareholders after the Issuance will be entitled to the accumulated but undistributed profits of the Company, proportionate to their shareholding of the Company after completion of the A-Share Private Placement
<b>Validity Period of the Resolution</b>	The resolution with respect to the A-Share Private Placement shall be valid for 12 months from the date when EGM approved the plan
<b>Use of Proceeds</b>	No more than RMB6 billion is supposed to be raised through the issuance, among which RMB1.8 billion will be utilised to replenish working capital and RMB4.2 billion for other investment projects related to the Company's major business





# Proposed Use of Proceeds from the A-share Private Placement



1	Capital Increase Project of CIMC Financial Leasing Co., Ltd.	20	20
2	CIMC Fenggang Logistics Equipments Manufacturing Project (Phase I)	10	6
3	Relocation Project of Qingdao CIMC Special Reefer Co., Ltd. (Phase I)	3	1
4	Multimodal Transport Project	1	1
5	Zhihui Garden Project of Songshan Lake(Phases I, II and III)	8	4
6	Zhigu Project near Songshan Lake(Phases II, III and IV)	10	10
7	Replenish of working capital	18	18





Stick to Three "engines" business development are divided into three layers the group will further consolidate the existing business explore new and innovation business increase the capital expenditure.

The Group consolidates traditional industrial strengths especially the strategically emerging business like natural gas equipment and offshore engineering equipment. In the meanwhile the Group focuses on finance, modern logistics services, to gradually establish an industrial system of "Manufacture+Service+Finance

By the means of selling equity instrument and cooperating, the Group vitalizes the existing industrial and storage land throughout the country, realizes going concern and value increment by Commercialization of the industrial estate, commercial real estate and logistic properties business. At the same time, the Commercialization provides stable cash flow for the development of Group's other emerging business.

Combined with "Made in China 2025" project and the "Belt and Road" initiatives the Group are planning developing high-rise Industries and service such as Industry4.0 Intelligent Manufacturing logistics and the warehouse automation making robots environmental protection technology and devices.



With a weak recovery of world



# 2016 INTERIM REPORT

