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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)

(Stock Code: 2039)

First Quarterly Report of 2018

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 2018 (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 ninth meeting of the eighth session of the board of directors of the Company (the “**Board**”) in 2018. 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 2018 and ended on 31 March 2018.
- 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

Unit: RMB thousand

	The Reporting Period (from January to March 2018)	Corresponding period of last year (from January to March 2017)	Changes from the corresponding period of last year to the Reporting Period (%)
Revenue	<u>19,253,639</u>	14,675,987	<u>31.19%</u>
Net profit attributable to shareholders and other equity holders of the parent company	<u>446,287</u>	509,681	<u>(12.44%)</u>
Net profit attributable to shareholders and other equity holders of the parent company after deducting non-recurring profit/loss	<u>170,937</u>	452,699	<u>(62.24%)</u>
Net cash flows from operating activities	<u>(1,074,908)</u>	95,458	<u>(1,226.05%)</u>
Basic earnings per share (RMB/share)	<u>0.1409</u>	0.1624	<u>(13.24%)</u>
Diluted earnings per share (RMB/share)	<u>0.1405</u>	0.1620	<u>(13.27%)</u>
Weighted average return on net assets (%)	<u>1.36%</u>	1.76%	<u>(0.40%)</u>
	As at the end of the Reporting Period (31 March 2018)	As at the end of last year (31 December 2017)	Changes from the end of last year to the end of the Reporting Period (%)
Total assets	<u>136,601,081</u>	<u>130,604,379</u>	4.59%
Net assets attributable to shareholders and other equity holders of the parent company	<u>32,948,343</u>	<u>32,460,927</u>	1.50%

Note: Upon the consideration and approval at the sixth meeting of the eighth session of the Board of the Company in 2018 convened on 27 March 2018, the Company prepared the financial statements for 2017 and subsequent periods pursuant to the Notice on the Revision of the Format for Issuing General Enterprise Financial Statements (Cai Kuai [2017] No. 30) issued by the Ministry of Finance. This report has adjusted the basis of the “operating profit” for the same period of last year in the consolidated income statement and the income statement of the parent company. Under the new basis, the “operating profit” included the amounts of the “gain on disposal of assets” and “other income” items. The adjusted amounts of these two items in the consolidated income statement was RMB1,165,000 and RMB29,520,000 respectively. Such adjusted amounts were previously listed under the non-operating revenue and expense. The adjustment did not affect the data for the same period of last year in the above statements. There was no other adjustment in comparative data for the same period of last year other than those stated above.

Non-recurring profit/loss items and amount

Unit: RMB thousand

Item	Amount from the beginning of this year to the end of the Reporting Period
<u>Profit or loss from disposal of non-current assets (including write-off of provision for asset impairment)</u>	<u>21,515</u>
Government grants recognised in profit or loss for the current period	<u>41,008</u>
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 Company’s ordinary activities	<u>130,855</u>
<u>Net gains/(losses) from disposal of long-term equity investments</u>	<u>106,571</u>
<u>Other non-operating income and expenses other than the above items</u>	<u>18,752</u>
<u>Effect of income tax</u>	<u>(18,863)</u>
<u>Effect of minority interests (after tax)</u>	<u>(24,488)</u>
Total	<u><u>275,350</u></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 top ten 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 top ten shareholders

Total number of ordinary shareholders as at the end of the Reporting Period	82,385, including 82,372 holders of A Shares and 13 <u>registered</u> 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
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Shareholdings of top ten shareholders as at the end of the Reporting Period

Name of shareholders	Nature of shareholders	Percentage of shareholding	Number of shares held (share)	Number of shares with selling restrictions held	Pledged or frozen shares Status	Number
HKSCC Nominees Limited (Note 1)	Foreign legal person	57.79%	1,724,724,010	-	-	-
COSCO Container Industries Limited (Note 2)	Foreign legal person	14.48%	432,171,843	-	-	-
China Securities Finance Corporation Limited	State-owned legal person	2.34%	69,938,808	-	-	-
Central Huijin Asset Management Ltd.	State-owned legal person	1.27%	37,993,800	-	-	-
Zhong Ou Fund – Agricultural Bank – Zhong Ou China Securities and Financial Assets Management Program	Domestic non-state-owned legal person	0.31%	9,252,400	-	-	-
ICBC Credit Suisse Fund – Agricultural Bank – ICBC Credit Suisse China Securities and Financial Assets Management Program	Domestic non-state-owned legal person	0.31%	9,211,800	-	-	-
Dacheng Fund – Agricultural Bank – Dacheng China Securities and Financial Assets Management Program	Domestic non-state-owned legal person	0.31%	9,150,300	-	-	-
Yinhua Fund – Agricultural Bank – Yinhua China Securities and Financial Assets Management Program	Domestic non-state-owned legal person	0.30%	9,094,100	-	-	-
E Fund – Agricultural Bank – E Fund China Securities and Financial Assets Management Program	Domestic non-state-owned legal person	0.30%	9,035,599	-	-	-
Bosera Funds – Agricultural Bank – Bosera China Securities and Financial Assets Management Program	Domestic non-state-owned legal person	0.30%	8,998,000	-	-	-

Shareholdings of top ten shareholders of shares without selling restrictions as at the end of the Reporting Period

Name of shareholders	Number of shares without selling restrictions held	Types of shares		Number
		Types of shares		
HKSCC Nominees Limited (Note 1)	1,716,411,609	Overseas-listed foreign shares		1,716,411,609
	8,312,401	RMB ordinary shares		8,312,401
COSCO Container Industries Limited (Note 2)	432,171,843	RMB ordinary shares		432,171,843
China Securities Finance Corporation Limited	69,938,808	RMB ordinary shares		69,938,808
Central Huijin Asset Management Ltd.	37,993,800	RMB ordinary shares		37,993,800
Zhong Ou Fund – Agricultural Bank – Zhong Ou China Securities and Financial Assets Management Program	9,252,400	RMB ordinary shares		9,252,400
ICBC Credit Suisse Fund – Agricultural Bank – ICBC Credit Suisse China Securities and Financial Assets Management Program	9,211,800	RMB ordinary shares		9,211,800
Dacheng Fund – Agricultural Bank – Dacheng China Securities and Financial Assets Management Program	9,150,300	RMB ordinary shares		9,150,300
Yinhua Fund – Agricultural Bank – Yinhua China Securities and Financial Assets Management Program	9,094,100	RMB ordinary shares		9,094,100
E Fund – Agricultural Bank – E Fund China Securities and Financial Assets Management Program	9,035,599	RMB ordinary shares		9,035,599
Bosera Funds – Agricultural Bank – Bosera China Securities and Financial Assets Management Program	8,998,000	RMB ordinary shares		8,998,000
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			

Note 1: Among the holders of H shares of the Company, HKSCC Nominees Limited held the shares on behalf of the non-registered shareholders. As at 31 March 2018, HKSCC Nominees Limited held a total of 1,724,724,010 shares of the Company on behalf of these shareholders, including 8,312,401 A shares and 1,716,411,609 H shares. The H shares include (but not limited to) 733,691,017 H shares held by China Merchants Group through its subsidiaries (including China Merchants Industry Holdings Limited, Soares Limited and China Merchants (CIMC) Investment Limited), and the 245,842,181 H shares held by China COSCO Shipping Corporation Limited, through its subsidiaries (including 25,322,106 H shares directly held by Long Honour and 220,520,075 H shares directly held by COSCO Container Industries).

Note 2: As at 31 March 2018, COSCO Container Industries held 220,520,075 H shares of the Company which were registered under HKSCC Nominees Limited (see Note 1) and 432,171,843 A shares of the Company.

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) Total number of shareholders of preference shares of the Company and shareholding of top ten shareholders of preference shares

Applicable Not applicable

3 SIGNIFICANT EVENTS

3.1 Changes in major financial data and financial indicators during the Reporting Period and the reasons

In the first quarter of 2018, the global economy sustained the recovery from last year. China's economic operations maintained stable and favourable momentum with improving quality and efficiency. However, in view of the global trade war initiated by the large-scale tariffs imposed by America, uncertainties remained in the recovery of global economy.

During the Reporting Period, the Group recorded revenue of RMB19,254 million (the same period of last year: RMB14,676 million), representing a year-on-year increase of 31.19%; net profit attributable to shareholders and other equity holders of the parent company of RMB446 million (the same period of last year: RMB510 million), representing a year-on-year decrease of 12.44%; and basic earnings per share of RMB0.1409 per share (the same period of last year: RMB0.1624 per share), representing a year-on-year decrease of 13.24%. During the Reporting Period, the revenue growth of the Group mainly came from the revenue growth of the container manufacturing business, the road transportation vehicles business and the energy, chemical and liquid food equipment business. However, as affected by factors such as the increase in exchange losses and the greater losses in offshore engineering business during the period, the net profit attributable to shareholders and other equity holders of the parent company decreased year on year.

In the first quarter of 2018, the fundamentals of the global economy remained strong. With the improvement in profitability of the container shipping industry, the elimination and upgrade of old containers also returned to normal. All these factors provided the customers with strong impetus for purchasing containers and sustained the strong order demand in the first quarter from last year. As a result, the sales and revenue of the containers manufacturing business of the Group both represented significant year-on-year increases during the Reporting Period. The total sales of dry containers reached 351,900 TEUs (the same period of last year: 291,900 TEUs), representing a year-on-year increase of 20.55%; and the total sales of reefer containers reached 41,400 TEUs (the same period of last year: 14,400 TEUs), representing a significant year-on-year increase of 187.50%. The container manufacturing business of the Group recorded sales revenue of RMB7,261 million (the same period of last year: RMB5,304 million), representing a year-on-year increase of 36.89%.

In the first quarter of 2018, by virtue of the GB1589 policy promulgated by the state in 2016 and the subsequent effect of the environmental inspection, the policies against overloading continued to be stringent. The market demand for car carriers was exceptionally strong, while the market for other semi-trailers was mediocre due to the seasonal factor in Lunar New Year. In respect of the international market, the North American market continued to maintain its stable growth. The demand in the emerging market was relatively stable but was dispersedly located. The European market picked up as a result of the economic recovery. During the Reporting Period, the road transportation vehicles business of the Group recorded total sales of 36,000 units (the same period of last year: 35,000 units), representing a slight year-on-year increase of 2.86%, achieving sales revenue of RMB4,720 million (the same period of last year: RMB4,130 million), representing a year-on-year increase of 14.27%.

In the first quarter of 2018, 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 sound economic development in China, resulting in 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 RMB2,877 million (the same period of last year: RMB2,244 million), representing a year-on-year increase of 28.23%.

In the first quarter of 2018, the international oil prices increased. However, due to the sluggish offshore engineering market, the offshore engineering business of the Group recorded revenue of RMB303 million (the same period of last year: RMB483 million) during the Reporting Period, representing a year-on-year decrease of 37.35%. With respect to construction, the CR600 accommodation vessel designed and constructed with completely independent intellectual property rights completed upgrading and modification, and went to Brazilian waters for the implementation of Petrobras lease. With respect to new orders, the new order for FPSO (floating production storage and offloading) unit commenced construction at the end of March this year. The contract of Norway's Nordlaks deep sea breeding vessel with a contract amount of USD106 million became effective in February 2018. In addition, the contracts of an 800-passenger vessel and a marine ranching platform project with a total amount of RMB60 million also became effective.

In the first quarter of 2018, due to economic structural adjustments and traditional factors such as Lunar New Year long holiday, the domestic logistics demand was held back in the off-season. However, the logistics services business of the Group made active responses and adopted various measures to sustain a steady development. During the Reporting Period, the business recorded revenue of RMB1,957 million (the same period of last year: RMB1,655 million), representing a year-on-year increase of 18.22%.

In the first quarter of 2018, the infrastructure construction projects in various regions commenced one after another in China. The demand for heavy trucks was at its peak. Dump trucks and mixer trucks especially recorded excellent sales performance. During the Reporting Period, leveraging the user-friendly design, high-end configuration, stable performance and appropriate product planning, C&C Trucks Co., Ltd. under the Group recorded overall sales of 2,413 units (the same period of last year: 1,727 units) in the first quarter in spite of the overall shrinking demand for tractors in the market, representing a year-on-year increase of 39.72%, recorded revenue of RMB753 million (the same period of last year: RMB506 million), representing a year-on-year increase of 48.79%. At the same time, the heavy truck business put more effort into the independent research and development for designing. The electric wagons developed jointly with Zhuhai Yinlong Energy Co., Ltd. completed testing in Yantian Port, Shenzhen, gaining recognition from customers with bright market prospects.

In the first quarter of 2018, the airport facilities equipment business of the Group maintained stable growth. The research and development of the unmanned boarding bridges technology made progress in an orderly manner. With respect to the fire and rescue business, the Group was working on the construction of a factory in Croatia to reduce manufacturing costs. For the domestic market, the Group will focus on the development of the lifting market. By virtue of the acquisition of automated sorting and other key technologies, the automated logistics business improved its integrating capacity and obtained more large orders. With respect to the smart parking business, the experimental garage of the mechanical multi-storey public parking garages was the first to obtain certification in China and was expected to put into application at the end of this year or early next year. During the Reporting Period, the airport facilities equipment business of the Group recorded revenue of RMB569 million (the same period of last year: RMB491 million), representing a year-on-year increase of 15.73%. As at the date hereof, the transaction regarding the injection of the equity interest in Pteris into China Fire Safety Enterprise Group Limited ("CFE") by the Group was completed. CFE became a holding subsidiary of the Company. Pteris and Tianda became holding subsidiaries of CFE. The transaction provided an opportunity for the management of the airport facilities equipment business of the Group to give full play to the advantages in respect of management and control while integrating the core competitiveness of the key business such as airport and logistics facilities equipment, which is beneficial to the overall development of the airport business of the Group, creating better returns for investors.

In the first quarter of 2018, the industrial city development business of the Group recorded revenue of RMB63 million (the same period of last year: RMB111 million), representing a year-on-year decrease of 43.35%, mainly due to the decrease in the recognised income as a result of fewer real estate projects delivered during the period. During the Reporting Period, the Group succeeded in the delisting of the 0218-02 land lot in Unit 02, Meiluo Home Large Residential Community, Luodian Town, Baoshan District, Shanghai, and planned to commence construction in the second quarter. The preliminary development work of Qianhai project was included as one of the major construction projects of Shenzhen Qianhai Free Trade Zone in the first quarter of 2018. The fifth to eighth phases of the CIMC Intelligence Valley project in Dongguan fully commenced construction to seize the timing of inviting investment. CIMC Skyspace Real Estate Development Co., Ltd. (“**CIMC Skyspace Real Estate**”) under the Group cooperated with Shenzhen Tianan Huicheng Development Co., Ltd.* (深圳市天安慧城發展有限公司) to establish Shenzhen Tianji Industrial City Investment Development Co., Ltd.* (深圳市天集產城投資發展有限公司) for in-depth cooperation in the integrated development of industrial cities to develop quality projects. The cooperation with Country Garden was further deepened. The speed of project development is expected to be significantly increased with complementary advantages. In addition, CIMC Skyspace Real Estate entered into strategic cooperation agreements with the Dongcheng Sub-district in Dongguan, the People’s Government of Yangzhou City and the People’s Government of Dayi County, Chengdu during the Reporting Period, laying a solid foundation for the sustainable business development.

In the first quarter of 2018, the financial business of the Group recorded revenue of RMB515 million (the same period of last year: RMB544 million), representing a year-on-year slight decrease of 5.43%. During the Reporting Period, CIMC Finance Co., Ltd. focused on the business philosophy of “service, sharing, innovation and leapfrogging”, adhered to the industrial demand and based itself on its comprehensive financial services to establish a safe and reliable financial service sharing platform of the Group. In the first quarter, the Finance Company made additional financial investment of over RMB2,900 million, which provided capital support for industrial development under the increasingly tight capital in the market in general. Meanwhile, it formulated specialised financial service plans with respect to the characteristics of industrial development and actively expanded the credit business for buyers to enhance the comprehensive competitiveness of the Group in terms of industrial development. CIMC Financial Leasing Co., Ltd. continued to adhere to the strategic positioning of “the integration of industry and finance” to improve the quality of customer base, further strengthen risk management, optimise asset portfolio and gradually promote the establishment of the external financing system. In the first quarter, the investment in new business reached the budget target, achieving a stable opening.

Material changes and the reasons

Unit: RMB thousand

Income statement items	From January to March 2018	From January to March 2017	Percentage change	Reasons for the material changes
Financial expenses	473,345	279,251	69.51%	Mainly due to the increase in exchange losses during the Reporting Period.
Profit from changes in fair value	114,772	31,047	269.67%	Mainly due to the greater profit from changes in fair value of derivative financial instruments during the Reporting Period.
Investment income	131,035	13,765	851.94%	Mainly due to the greater investment income received from the disposal of long-term equity investment during the Reporting Period.

Unit: RMB thousand

Cash flow statement items	From January to March 2018	From January to March 2017	Percentage change	Reasons for the material changes
Cash received relating to other operating activities	50,965	618,266	(91.76%)	Mainly due to the greater basis for comparison in the same period of last year formed by the partial demolition compensation received by Shanghai CIMC Reefer Containers Co., Ltd., a subsidiary of the Group, for the same period of last year.
Cash received relating to other investing activities	160,000	=	=	Mainly due to the greater government grants relating to assets received during the Reporting Period.
Cash payments for interest expenses and distribution of dividends or profits	589,100	279,685	110.63%	Mainly due to the increase in interest payment and dividend distribution to minority shareholders during the Reporting Period.

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 2018, the Company continued to stick to its “risk control first” principle and focused on major risks to push forward the establishment of the risk control system and internal control and audit, including: (1) it identified five major aspects of risks of the Company (including HSE (Health Safety Environment) management risk, capital management risk, investment management risk, inefficient asset management risk and honest operation risk) through the questionnaire survey of core personnel and the review of the internal control and audit results in the past two years with reference to the external risk control and the requirements of the Board of the Company, and determined the core strategy of risk control in 2018 according to the concept of risk control first and key prevention of major risks. The strategy was reviewed and confirmed by the Board and was planned for implementation; (2) it completed the internal control evaluation for the member companies for 2017. The effectiveness of risk control was directly linked to the annual evaluation results; (3) it put more efforts in the establishment of the internal control system for overseas enterprises, and completed the internal control training for 2 overseas enterprises in the first quarter; (4) it continued to carry out term audit and special audit projects such as construction and procurement, intensified efforts in the cross-audit between enterprises and allocated more resources to foster internal control and audit personnel; (5) it finished the first draft of the accountability system for major issues and completed several rounds of evaluation and revision. It will promulgate the accountability system as soon as possible; (6) it completed the evaluation on the internal control and audit personnel for 2018, presenting the career path of professional development for the audit and internal control team of the Group; (7) it visited a number of outstanding conglomerates to learn the best risk control practice.

(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 20 July 2017, upon the consideration at the eighth meeting of the eighth session of the Board in 2017, after the completion of the implementation of the 2016 dividend distribution proposal of the Company, the exercise price of the First Tranche of Share Options was adjusted to RMB10.49 per option, and that of the Second Tranche of Share Options was adjusted to RMB16.02 per option. 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]2017-042) 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 21 July 2017, as well as the relevant announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk).

During the Reporting Period, a total of 1,807,500 options were exercised under the A Share(s) Share Option Incentive Scheme, representing 3.09% of the total of share option incentive scheme (adjusted), among which, a total of 858,500 options were exercised for the First Tranche of Share Options, and a total of 949,000 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 during and after the Reporting Period

- 1) On 15 January 2018, Ms. Yang Rong, the former general manager of the capital management department, resigned for personal reasons. Upon the consideration and approval at the first meeting of the eighth session of the Board of the Company in 2018, the Company consolidated the former financial management department and the capital management department, and appointed Mr. Zeng Han as the general manager of the consolidated financial management department. For relevant information, please refer to the announcements published by the Company (Announcement No.: [CIMC]2018-003 and [CIMC] 2018-004) on China Securities Journal, Shanghai Securities News, Securities Times, Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) on 15 January 2018, as well as the relevant announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk).
- 2) On 9 March 2018, upon the consideration and approval at the fourth meeting of the eighth session of the Board of the Company in 2018, the Company decided to terminate the non-public issuance of A Shares as approved by the Board on 8 April 2016 and made an application to the China Securities Regulatory Commission (the "CSRC") for the withdrawal of relevant application documents. On 23 March 2018, the Company received the Notice regarding CSRC's Administrative Permission on Application for Termination of Review (《中國證監會行政許可申請終止審查通知書》) (No.[2018] 119) issued by the CSRC, pursuant to which the application for the termination of review was approved by the CSRC. For relevant information, please refer to the announcements published by the Company (Announcement No.: [CIMC]2018-002, [CIMC]2018-013 and [CIMC]2018-021) on China Securities Journal, Shanghai Securities News, Securities Times, Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) on 11 January 2018, 9 March 2018 and 26 March 2018, as well as the relevant announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk).

- 3) On 12 March 2018, upon the consideration and approval at the fifth meeting of the eighth session of the Board of the Company in 2018, the Company proposed to issue not more than 343,315,321 H shares pursuant to the general mandate as considered and approved at the 2016 annual general meeting convened on 9 June 2017. For relevant information, please refer to the announcements published by the Company (Announcement No.: [CIMC]2018-014 and [CIMC]2018-015) on China Securities Journal, Shanghai Securities News, Securities Times, Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) on 12 March 2018, as well as the relevant announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk).
- 4) On 12 March 2018, upon the consideration and approval at the fifth meeting of the eighth session of the Board of the Company in 2018, CIMC Transportation Equipment (International) Holdings Ltd. (a wholly-owned subsidiary of the Company) disposed of its 44.94382% equity interest in Shouzhong Investment Management Co., Ltd. (首中投資管理有限公司) to Shouzhong (Hong Kong) Limited (a wholly-owned subsidiary of Shougang Concord International Enterprises Company Limited), and Shougang Concord International Enterprises Company Limited shall issue consideration shares to settle the consideration. For relevant information, please refer to the announcements published by the Company (Announcement No.: [CIMC]2018-014 and [CIMC]2018-016) on China Securities Journal, Shanghai Securities News, Securities Times, Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) on 12 March 2018, as well as the relevant announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk).
- 5) On 27 March 2018, upon the consideration and approval at the sixth meeting of the eighth session of the Board of the Company in 2018, the Company appointed Mr. Gao Xiang as executive vice president of the Company, Mr. Li Guiping and Mr. Huang Tianhua as vice presidents of the Company, Mr. Yu Yuqun as vice president of the Company and secretary to the Board and Company Secretary. Mr. Liu Xuebin, Mr. Yu Ya and Mr. Zhang Baoqing, the former vice presidents of the Company, were designated as the senior consultants of the Company. For relevant information, please refer to the announcements published by the Company (Announcement No.: [CIMC]2018-030) on China Securities Journal, Shanghai Securities News, Securities Times, Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) on 27 March 2018, as well as the relevant announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk).
- 6) On 27 March 2018, upon the consideration and approval at the sixth meeting of the eighth session of the Board of the Company in 2018, the Company prepared the financial statements for 2017 and subsequent periods pursuant to the Notice on the Revision of the Format for Issuing General Enterprise Financial Statements (Cai Kuai [2017] No. 30) by adopting the newly amended Accounting Standards for Business Enterprises No. 14 – Revenue, Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments, Accounting Standards for Business Enterprises No. 23 – Transfer of Financial Assets, Accounting Standards for Business Enterprises No. 24 – Hedge Accounting, Accounting Standards for Business Enterprises No. 37 – Presentation and Reporting of Financial Instrument and No. 9 – No. 12 Interpretation of Accounting Standards for Business Enterprises since 1 January 2018. For relevant information, please refer to the announcements published by the Company (Announcement No.: [CIMC]2018-026) on China Securities Journal, Shanghai Securities News, Securities Times, Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) on 27 March 2018, as well as the relevant announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk). For details, please also refer to “3.10 Reason of change in accounting policies and correction of accounting errors” in this section of this report.

- 7) On 27 March 2018, upon the consideration and approval at the sixth meeting of the eighth session of the Board of the Company in 2018, the Company proposed to make some amendments to the Articles of Association of China International Marine Containers (Group) Co., Ltd. and the Rules of Procedures for the General Meeting of China International Marine Containers (Group) Co., Ltd. These amendments are subject to the consideration and approval at the general meeting of the Company. For relevant information, please refer to the announcements published by the Company (Announcement No.: [CIMC]2018-031) on China Securities Journal, Shanghai Securities News, Securities Times, Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) on 27 March 2018, as well as the relevant announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk).
- 8) On 27 March 2018, upon the consideration and approval at the sixth meeting of the eighth session of the Board of the Company in 2018, the Company proposed to adjust the subsidies for independent non-executive directors from RMB200,000 per year to RMB240,000 from 1 January 2018. The matter is subject to the consideration and approval at the general meeting of the Company. For relevant information, please refer to the announcements published by the Company (Announcement No.: [CIMC]2018-032) on China Securities Journal, Shanghai Securities News, Securities Times, Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) on 27 March 2018, as well as the relevant announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk).
- 9) On 29 March 2018, upon the consideration and approval at the sixth meeting of the eighth session of the Board of the Company in 2018, the Company and COSCO SHIPPING entered into the Supplementary Agreement to the Framework Agreement for Sale of Goods. The parties agreed to increase the annual caps of the ordinary related-party transaction/continuing connected transaction for 2018 and 2019 to RMB4.60 billion and RMB5.00 billion, respectively. The matter is subject to the consideration and approval at the general meeting of the Company. For relevant information, please refer to the announcements published by the Company (Announcement No.: [CIMC]2016-071, [CIMC]2018-027 and [CIMC]2018-035) on China Securities Journal, Shanghai Securities News, Securities Times, Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) on 12 November 2016, 27 March 2018 and 29 March 2018, as well as the relevant announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk).
- 10) On 23 April 2018, upon the consideration and approval at the eighth meeting of the eighth session of the Board of the Company in 2018, the Company proposed to register and issue medium-term notes in an amount of no more than RMB6 billion, perpetual medium-term notes in an amount of no more than RMB4 billion and super & short-term commercial papers in an amount of no more than RMB8 billion. The matter is subject to the consideration and approval at the general meeting of the Company. For relevant information, please refer to the announcements published by the Company (Announcement No.: [CIMC]2018-040 and [CIMC]2018-041) on China Securities Journal, Shanghai Securities News, Securities Times, Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) on 23 April 2018, as well as the relevant announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk).

11) On 23 April 2018, the transaction of injecting the equity interest in Pteris into CFE by the Group was completed. For relevant information, please refer to the announcements published by the Company (Announcement No.: [CIMC]2017-082, [CIMC]2018-009, [CIMC]2018-034 and [CIMC]2018-043) on China Securities Journal, Shanghai Securities News, Securities Times, Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) on 4 December 2017, 9 February 2018, 28 March 2018 and 23 April 2018, as well as the relevant announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk).

<u>Summary of significant events</u>	<u>Date of disclosure</u>	<u>Search index of the tentative announcement disclosure website</u>
<u>Consolidation of financial management department and the capital management department, and appointment of the general manager of the consolidated financial management department</u>	<u>15 January 2018</u>	<u>www.cninfo.com.cn</u> <u>www.hkexnews.hk</u> <u>www.cimc.com</u>
<u>Termination on the application for the non-public issuance of A shares</u>	<u>11 January 2018</u> <u>9 March 2018</u> <u>26 March 2018</u>	
<u>Issuance of H shares under the general mandate</u>	<u>12 March 2018</u>	
<u>Disposal of equity interest in an associate – Shouzhong Investment</u>	<u>12 March 2018</u>	
<u>Resignation and appointment of senior management members</u>	<u>27 March 2018</u>	
<u>Change in accounting policy</u>	<u>27 March 2018</u>	
<u>Proposed amendments to the Articles of Association and the Rules of Procedures for the General Meeting</u>	<u>27 March 2018</u>	
<u>Proposed adjustment to the subsidies for independent non-executive directors</u>	<u>27 March 2018</u>	
<u>Revision of annual caps of the ordinary related-party transaction/continuing connected transaction with COSCO SHIPPING for 2018 and 2019</u>	<u>12 November 2016</u> <u>27 March 2018</u> <u>29 March 2018</u>	
<u>Proposed registration and issuance of medium-term notes (including perpetual medium-term notes) and super & short-term commercial papers</u>	<u>23 April 2018</u>	
<u>Completion of the disposal of equity interest in a subsidiary – Pteris to an associate – CFE and increase of shareholding in CFE</u>	<u>4 December 2017</u> <u>9 February 2018</u> <u>28 March 2018</u> <u>23 April 2018</u>	

3.3 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

Applicable Not applicable

There were 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 Estimate on the operating results for the period from January to June 2018

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 investment

Unit: RMB thousand

Type of securities	Stock code	Abbreviation of stock name	Initial investment cost	Number of shares held at the beginning of the Reporting Period (thousand shares)	Shareholding at the beginning of the Reporting Period	Number of shares held at the end of the Reporting Period (thousand shares)	Shareholding 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 accounts	Source of shareholding
H Share	6198	Qingdao Port	<u>128,589</u>	<u>40,414</u>	<u>0.67%</u>	<u>40,414</u>	<u>0.67%</u>	<u>188,145</u>	<u>18,565</u>	Financial assets at fair value through profit or loss	Self-owned funds
H Share	368	Sinotrans Ship H	<u>20,742</u>	<u>2,997</u>	<u>0.08%</u>	<u>2,997</u>	<u>0.08%</u>	<u>5,042</u>	<u>266</u>	Financial assets at fair value through profit or loss	Self-owned funds
Other securities investments held at the end of the Reporting Period			=	=	=	=	=	<u>1,274</u>	<u>24</u>	-	-
Total			<u>149,331</u>	=	=	=	=	<u>194,461</u>	<u>18,855</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 Investment in derivatives

Unit: RMB thousand

Name of derivatives investment operator	Affiliated relations	Related party transaction or not	Type of derivatives investment	Initial investment amount of derivatives investment	Date of commencement	Date of termination	Investment amount at the beginning of the Reporting Period	Purchase during the Reporting Period	Sales during Reporting Period	Provision for impairment (if any)	Investment amount at the end of the Reporting Period	Proportion of investment amount at the end of the Reporting Period to the net assets of the Company at the end of the Reporting Period	Actual profit or loss during the Reporting Period
HSBC, Standard Chartered and other banks	Nil	No	Foreign exchange forward contract	=	2017/4/19	2018/12/12	314,821	=	=	=	1,516,146	4.60%	853
HSBC, ANZ and other banks	Nil	No	Foreign exchange option contract	=	2017/12/15	2018/12/19	270,588	=	=	=	1,421,698	4.31%	9,601
CCB, Deutsche Bank and other banks	Nil	No	Interest rate swap contract	=	2011/1/6	2021/6/28	9,491,309	=	=	=	9,127,907	27.70%	89,346
ING	Nil	No	Currency swap contract	=	2017/8/1	2018/6/29	65,359	=	=	=	62,893	0.19%	(2,704)
Total				=			10,142,077	=	=	=	12,128,644	36.80%	97,096

Source of funds for derivatives investments

Self-owned funds

Litigation case (if applicable)

Not applicable

Disclosure date of announcement in relation to the consideration and approval of derivative investments by the Board (if any)

27 March 2018

Disclosure date of announcement in relation to the consideration and approval of derivative investments by the shareholders' general meeting (if any)

Nil

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.)

As of 31 March 2018, the derivative financial instruments held by the Group were mainly foreign exchange forwards, interest rate swap, options and currency 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.

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

From January to March 2018, the Group's profit or loss arising from changes in fair values of the derivative financial instruments was RMB97,096,000. Fair values of the derivative financial instruments of the Group were determined based on market prices of external financial institutions.

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

No

Specific opinions of independent directors on the derivatives investments and risk controls of the Company

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

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

Date of reception	Mode of reception	Type of party received	Search index of the basic information researched
16 January 2018	Field research	China Merchants Securities	Principal business conditions, investment progress, recent industrial developments and industry outlook
23 January 2018	Field research	Huajin Securities	Same as above
29 January 2018	Field research	Huatai Securities, Foresea Life Insurance, Shen Zhou Mu Fund, Spruces Capital and Shineway Capital	Same as above
31 January 2018	Telephone conference	Zhongtai Securities	Same as above
6 February 2018	Field research	Changjiang Securities	Same as above
7 February 2018	Field research	Haitong Securities and ChinaAMC	Same as above
5 March 2018	Telephone conference	Value Partner	Same as above
28 March 2018	Results announcement press conference	China Merchants Securities, Huatai Securities, CITIC Securities, Haitong Securities, Tencent Securities, CICC, Founder Securities, New Times Securities, Soochow Securities, Huajin Securities, Guosen Securities, Shenwan Hongyuan, Pacific Securities, Hua Chuang Securities, Sinolink Securities, Everbright Securities, Spruces Capital, Penghua Fund, GF Securities, Changjiang Securities and ChinaAMC	2017 annual results

3.8 Non-compliant 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.

3.10 Reason of change in accounting policies and correction of accounting errors

(1) Change in accounting policies relating to financial instruments

In 2017, the Ministry of Finance amended the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments, Accounting Standards for Business Enterprises No. 23 – Transfer of Financial Assets, Accounting Standards for Business Enterprises No. 24 – Hedge Accounting and Accounting Standards for Business Enterprises No. 37 – Presentation and Reporting of Financial Instrument (the “**New Standards for Financial Instruments**”). As an A-share and H-share listed company, upon the consideration and approval at the sixth meeting of the eighth session of the Board of the Company in 2018 on 27 March 2018, the Company has adopted the above new standards from 1 January 2018. The New Standards for Financial Instruments retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: (1) amortised cost; (2) fair value through other comprehensive income; and (3) fair value through profit or loss. Impairment of financial assets will be measured based on the “expected credit loss” method instead of “incurred loss” method. According to the transition requirements of the New Standards for Financial Instruments, the Group does not need to restate the comparative figures for the preceding period. The difference arising from the adoption of the new standards instead of old standards for the first day of adoption was adjusted and included in the retained earnings and other comprehensive income at the beginning of 2018.

(2) Change in accounting policies relating to revenue

In 2017, the Ministry of Finance amended the Accounting Standards for Business Enterprises No. 14 – Revenue (the “**New Standard for Revenue**”). As an A-share and H-share listed company, upon the consideration and approval at the sixth meeting of the eighth session of the Board of the Company in 2018 on 27 March 2018, the Company has adopted the standard from 1 January 2018. The New Standard for Revenue incorporates the prevailing revenue and construction contract standards into a unified revenue recognition model (five-step approach) under a principle of recognising revenue when the customers obtaining the control of the relevant goods or services. In addition, when goods (including properties) that produced to perform contracts and have no alternative use, and when the Group has a right to receive payment for performance completed to date, the Group recognises revenue as the performance obligations are satisfied over time in accordance with the input method for measuring progress. According to the transition requirements of the New Standards for Revenue, the Group does not need to restate the comparative figures for the preceding period. The accumulated affected amounts arising from the adoption of the new standards for the first day of adoption was adjusted and included in the retained earnings at the beginning of 2018.

4 FINANCIAL STATEMENTS

4.1 Financial statements

4.1.1 Consolidated Balance Sheet (unaudited)

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

Unit: RMB thousand

Item	Closing balance (As at 31 March 2018)	Opening balance (As at 31 December 2017)
Current assets:		
Cash at bank and on hand	9,474,677	5,596,314
Financial assets at fair value through profit or loss	634,080	194,880
Notes receivable	1,243,520	1,376,864
Accounts receivable	17,120,151	16,396,726
Advances to suppliers	2,867,480	2,147,721
Interests receivable	25,288	19,092
Dividend receivable	4,408	4,408
Other receivables	8,180,992	8,259,736
Inventories	20,254,423	19,258,327
Assets held for sale	197,874	235,309
Current portion of non-current assets	3,856,566	4,314,250
Other current assets	811,318	1,198,296
Total current assets	64,670,777	59,001,923
Non-current assets:		
Financial assets at fair value through profit or loss	395,070	318,534
Financial assets at fair value through other comprehensive income	1,100,129	=
Available-for-sale financial assets	=	441,581
Long-term receivables	13,610,643	12,880,540
Long-term equity investments	2,269,956	2,398,495
Investment properties	1,676,462	1,679,189
Fixed assets	22,410,726	22,941,021
Construction in progress	21,754,689	22,194,585
Disposal of fixed assets	144,880	147,661
Intangible assets	4,686,735	4,711,244
Development costs	72,885	67,399
Goodwill	2,114,900	2,112,445
Long-term prepaid expenses	283,888	205,239
Deferred tax assets	1,399,046	1,416,637
Other non-current assets	10,295	87,886
Total non-current assets	71,930,304	71,602,456
Total assets	136,601,081	130,604,379

4.1.1 Consolidated Balance Sheet (unaudited)(continued)

Unit: RMB thousand

Item	Closing balance (As at 31 March 2018)	Opening balance (As at 31 December 2017)
Current liabilities:		
Short-term borrowings	<u>19,311,170</u>	<u>15,317,347</u>
Financial liabilities at fair value through profit or loss	<u>17,478</u>	<u>3,025</u>
Notes payable	<u>1,177,705</u>	<u>1,785,456</u>
Accounts payable	<u>13,360,986</u>	<u>12,216,311</u>
Advances from customers	<u>4,905,240</u>	<u>4,624,088</u>
Employee benefits payable	<u>2,312,241</u>	<u>2,713,482</u>
Taxes payable	<u>1,198,987</u>	<u>1,363,986</u>
Interest payable	<u>608,304</u>	<u>377,793</u>
Dividends payable	<u>41,479</u>	<u>254,434</u>
Other payables	<u>6,352,554</u>	<u>6,854,541</u>
<u>Liabilities held for sale</u>	<u>=</u>	<u>14,906</u>
Provisions	<u>1,243,256</u>	<u>1,214,904</u>
Current portion of non-current liabilities	<u>4,045,852</u>	<u>4,085,579</u>
Other current liabilities	<u>1,605,152</u>	<u>595,907</u>
Total current liabilities	<u>56,180,404</u>	<u>51,421,759</u>
Non-current liabilities:		
Financial liabilities at fair value through profit or loss	<u>36,385</u>	<u>37,807</u>
Long-term borrowings	<u>24,022,641</u>	<u>24,140,168</u>
Debentures payable	<u>7,986,500</u>	<u>7,986,500</u>
<u>Including: Perpetual bonds</u>	<u>1,986,500</u>	<u>1,986,500</u>
Long-term payables	<u>353,774</u>	<u>347,269</u>
Payables for specific projects	<u>14,002</u>	<u>14,127</u>
Deferred income	<u>808,564</u>	<u>846,232</u>
Deferred tax liabilities	<u>807,746</u>	<u>801,337</u>
Other non-current liabilities	<u>2,593,203</u>	<u>1,771,746</u>
Total non-current liabilities	<u>36,622,815</u>	<u>35,945,186</u>
Total liabilities	<u>92,803,219</u>	<u>87,366,945</u>

4.1.1 Consolidated Balance Sheet (unaudited)(continued)

Unit: RMB thousand

Item	Closing balance (As at 31 March 2018)	Opening balance (As at 31 December 2017)
Shareholders' equity:		
Share capital	<u>2,984,697</u>	<u>2,982,889</u>
Other equity instruments	<u>2,058,993</u>	<u>2,033,043</u>
Including: Perpetual bonds	<u>2,058,993</u>	<u>2,033,043</u>
Capital surplus	<u>4,235,160</u>	<u>4,209,663</u>
Other comprehensive income	<u>371,231</u>	<u>219,303</u>
Special reserve	<u>366</u>	<u>=</u>
Surplus reserve	<u>3,281,535</u>	<u>3,281,535</u>
Undistributed profits	<u>20,016,361</u>	<u>19,734,494</u>
Total equity attributable to shareholders and other equity holders of the company	<u>32,948,343</u>	<u>32,460,927</u>
Minority interests	<u>10,849,519</u>	<u>10,776,507</u>
Total shareholders' equity	<u>43,797,862</u>	<u>43,237,434</u>
Total liabilities and shareholders' equity	<u>136,601,081</u>	<u>130,604,379</u>
<u>Legal representative's authorised person:</u> Mai Boliang	<i>The person in charge of accounting affairs:</i> Zeng Han	<i>The head of the accounting department:</i> Zeng Han

4.1.2 Balance Sheet of the Parent Company (unaudited)

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

Unit: RMB thousand

Item	Closing balance (As at 31 March 2018)	Opening balance (As at 31 December 2017)
Current assets:		
Cash at bank and on hand	<u>3,891,981</u>	1,366,876
Dividends receivables	<u>4,785,264</u>	4,918,369
Other receivables	<u>12,229,741</u>	13,197,142
Other current assets	<u>1,528</u>	<u>5,771</u>
Total current assets	<u>20,908,514</u>	<u>19,488,158</u>
Non-current assets:		
<u>Financial assets at fair value through other comprehensive income</u>	<u>840,200</u>	=
Available-for-sale financial assets	=	388,905
Long-term equity investments	<u>9,582,817</u>	9,583,886
Fixed assets	<u>143,186</u>	143,131
Construction in progress	<u>55,321</u>	56,326
Disposal of fixed assets	<u>1,117</u>	1,117
Intangible assets	<u>14,142</u>	14,207
Long-term prepaid expenses	<u>27,022</u>	29,627
Deferred tax assets	<u>72,969</u>	<u>73,140</u>
Total non-current assets	<u>10,736,774</u>	<u>10,290,339</u>
Total assets	<u>31,645,288</u>	<u>29,778,497</u>
Current liabilities:		
Short-term borrowings	<u>2,725,000</u>	350,000
Financial liabilities at fair value through profit or loss	<u>217</u>	614
Employee benefits payable	<u>291,660</u>	291,949
Taxes payable	<u>3,004</u>	3,094
Interest payable	<u>158,144</u>	89,295
Other payable	<u>4,098,644</u>	4,650,581
Provisions	<u>102,524</u>	102,524
Current portion of non-current liabilities	<u>1,000,000</u>	<u>1,095,000</u>
Total current liabilities	<u>8,379,193</u>	<u>6,583,057</u>

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

Unit: RMB thousand

Item	Closing balance (As at 31 March 2018)	Opening balance (As at 31 December 2017)
Non-current liabilities:		
Long-term borrowings	<u>1,221,000</u>	<u>1,322,000</u>
Debentures payable	<u>7,986,500</u>	<u>7,986,500</u>
Including: Perpetual debt	<u>1,986,500</u>	<u>1,986,500</u>
Deferred income	<u>21,822</u>	<u>25,171</u>
Total non-current liabilities	<u>9,229,322</u>	<u>9,333,671</u>
Total liabilities	<u>17,608,515</u>	<u>15,916,728</u>
Shareholders' equity:		
Share capital	<u>2,984,697</u>	<u>2,982,889</u>
Other equity instruments	<u>2,058,993</u>	<u>2,033,043</u>
Including: Perpetual debt	<u>2,058,993</u>	<u>2,033,043</u>
Capital surplus	<u>3,353,295</u>	<u>3,330,895</u>
Other comprehensive income	<u>495,049</u>	<u>43,754</u>
Surplus reserves	<u>3,281,535</u>	<u>3,281,535</u>
Undistributed profits	<u>1,863,204</u>	<u>2,189,653</u>
Total equity of shareholders and other equity holders	<u>14,036,773</u>	<u>13,861,769</u>
Total liabilities and shareholders' equity	<u>31,645,288</u>	<u>29,778,497</u>

Legal representative's
authorised person:
Mai Boliang

*The person in charge of
accounting affairs:*
Zeng Han

*The head of the accounting
department:*
Zeng Han

4.1.3 Consolidated Income Statement (Unaudited)

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

Unit: RMB thousand

Item	Current amount (January to March 2018)	Previous amount (January to March 2017)
I. Total Revenue	<u>19,253,639</u>	14,675,987
II. Total cost of sales		
Including: Cost of sales	<u>16,712,320</u>	11,985,518
Taxes and surcharges	<u>100,820</u>	90,390
Selling and distribution expenses	<u>612,531</u>	555,580
General and administrative expenses	<u>912,440</u>	966,224
Financial expenses	<u>473,345</u>	279,251
Asset impairment losses	<u>1,779</u>	8,186
Add: Profit from changes in fair value	<u>114,772</u>	31,047
Investment income	<u>131,035</u>	13,765
Including: Share of profit of investment in associates and joint ventures	<u>8,381</u>	7,161
<u>Gain on disposal of assets</u>	<u>21,515</u>	<u>1,165</u>
<u>Other income</u>	<u>41,008</u>	<u>29,520</u>
III. Operating profit	<u>748,734</u>	866,335
Add: Non-operating revenue	<u>28,263</u>	<u>16,783</u>
Less: Non-operating expense	<u>9,511</u>	<u>1,066</u>
IV. Total profit	<u>767,486</u>	882,052
Less: Income tax expenses	<u>183,667</u>	<u>263,589</u>
V. Net profit	<u>583,819</u>	618,463
(I) <u>Classified by continued operations</u>		
<u>Net profit from continued operations</u>	<u>583,819</u>	<u>618,463</u>
<u>Net profit from discontinued operations</u>	=	=
(II) <u>Classified by attribution of ownership</u>		
Net profit attributable to <u>owners</u> of the Company	<u>446,287</u>	509,681
Minority interests	<u>137,532</u>	<u>108,782</u>

4.1.3 Consolidated Income Statement (Unaudited) (continued)

Unit: RMB thousand

Item	Current amount (January to March 2018)	Previous amount (January to March 2017)
VI. Other comprehensive income, net of tax	<u>(389,678)</u>	95,687
Other comprehensive income, net of tax, attributable to Shareholders and other equity holders of the Company	<u>(304,367)</u>	86,484
Other comprehensive income to be reclassified to profit or loss in subsequent periods	<u>(304,367)</u>	86,484
1. Share of other comprehensive income in the investees to be reclassified to profit or loss in subsequent periods under the equity method	=	-
2. Profit or loss from changes in fair value of available-for-sale financial assets	<u>231</u>	(1,146)
3. Other comprehensive income arising from cash flow hedges	<u>(1,156)</u>	1,836
4. Difference on translation of foreign currency financial statements	<u>(303,442)</u>	85,794
Other comprehensive income attributable to minority interests, net of tax	<u>(85,311)</u>	<u>9,203</u>
VII. Total comprehensive income	<u>194,141</u>	714,150
Total comprehensive income attributable to <u>owners</u> of the Company	<u>141,920</u>	596,165
Total comprehensive income attributable to minority interests	<u>52,221</u>	<u>117,985</u>
VIII. Earnings per share:		
(I) Basic earnings per share (<i>RMB per share</i>)	<u>0.1409</u>	0.1624
(II) Diluted earnings per share (<i>RMB per share</i>)	<u>0.1405</u>	<u>0.1620</u>

Legal representative's
authorised person:
Mai Boliang

*The person in charge of
accounting affairs:*
Zeng Han

*The head of the accounting
department:*
Zeng Han

4.1.4 Income Statement of the Parent Company (unaudited)

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

Unit: RMB thousand

Item	Current amount (January to March 2018)	Previous amount (January to March 2017)
I. Revenue	<u>74,929</u>	52,367
Less: Cost of sales	=	1,452
Taxes and surcharges	<u>615</u>	-
General and administrative expenses	<u>44,923</u>	68,430
Financial expenses	<u>349,026</u>	108,622
Add: Profit from changes in fair value	<u>397</u>	991
Investment income	<u>4,741</u>	219,208
<u>Gain on disposal of assets</u>	<u>9,112</u>	=
<u>Other income</u>	<u>4,140</u>	<u>528</u>
II. Operating profit	<u>(301,245)</u>	<u>94,590</u>
Add: Non-operating income	<u>917</u>	=
Less: Non-operating expenses	=	<u>586</u>
III. Total profit	<u>(300,328)</u>	94,004
Less: Income tax expenses	<u>171</u>	<u>322</u>
IV. Net profit	<u>(300,499)</u>	93,682
<u>Classified by continued operations</u>		
<u>Net profit from continued operations</u>	<u>(300,499)</u>	<u>93,682</u>
<u>Net profit from discontinued operations</u>	=	=
V. Other comprehensive income, net of tax	=	=
VI. Total comprehensive income	<u>(300,499)</u>	<u>93,682</u>

Legal representative's
authorised person:
Mai Boliang

*The person in charge of
accounting affairs:*
Zeng Han

*The head of the accounting
department:*
Zeng Han

4.1.5 Consolidated Cash Flow Statement (unaudited)

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

Unit: RMB thousand

Item	Current amount (January to March 2018)	Previous amount (January to March 2017)
I. Cash flows from operating activities:		
Cash received from sales of goods or rendering of services	<u>20,384,527</u>	14,450,079
Refund of taxes and surcharges	<u>904,692</u>	391,644
Cash received relating to other operating activities	<u>50,965</u>	618,266
Sub-total of cash inflows from operating activities	<u>21,340,184</u>	15,459,989
Cash paid for goods and services	<u>19,481,774</u>	13,047,907
Cash paid to and on behalf of employees	<u>1,733,851</u>	1,583,768
Payments of taxes and surcharges	<u>642,056</u>	477,708
Cash paid relating to other operating activities	<u>557,411</u>	255,148
Sub-total of cash outflows from operating activities	<u>22,415,092</u>	15,364,531
Net cash flows from operating activities	<u>(1,074,908)</u>	<u>95,458</u>
II. Cash flows from investing activities:		
Cash received from disposal of investments	<u>500,000</u>	600
Cash received from returns on investments	<u>887</u>	12,925
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	<u>66,289</u>	11,783
<u>Net cash received from disposal of subsidiaries and other business units</u>	<u>126,743</u>	=
<u>Cash received relating to other investing activities</u>	<u>160,000</u>	=
Sub-total of cash inflows from investing activities	<u>853,919</u>	25,308
Cash paid to acquire fixed assets, intangible assets and other long-term assets	<u>1,037,666</u>	737,877
Cash paid to acquire investments	<u>600,000</u>	751,732
Sub-total of cash outflows from investing activities	<u>1,637,666</u>	1,489,609
Net cash flows from investing activities	<u>(783,747)</u>	<u>(1,464,301)</u>

4.1.5 Consolidated Cash Flow Statement (unaudited) (continued)

Unit: RMB thousand

Item	Current amount (January to March 2018)	Previous amount (January to March 2017)
III. Cash flows from financing activities:		
Cash received from capital contributions	<u>28,562</u>	15,000
Including: Cash received from capital contributions by minority shareholders of subsidiaries	<u>28,562</u>	15,000
Cash received from borrowings	<u>15,350,172</u>	14,981,820
Cash received relating to other financing activities	<u>1,401</u>	2,743
Sub-total of cash inflows from financing activities	<u>15,380,135</u>	14,999,563
Cash repayments of borrowings	<u>9,014,029</u>	12,545,816
Cash payments for interest expenses or distribution of dividends or profits	<u>589,100</u>	279,685
Including: Cash payments for dividends or profit to minority shareholders of subsidiaries	<u>207,429</u>	=
Sub-total of cash outflows from financing activities	<u>9,603,129</u>	12,825,501
Net cash flows from financing activities	<u>5,777,006</u>	<u>2,174,062</u>
IV. Effect of exchange rate changes on cash and cash equivalents	<u>(331,776)</u>	<u>(35,154)</u>
V. Net increase in cash and cash equivalents	<u>3,586,575</u>	770,065
Add: Opening balance of cash and cash equivalents	<u>5,442,857</u>	<u>6,338,668</u>
VI. Closing balance of cash and cash equivalents	<u>9,029,432</u>	<u>7,108,733</u>

Legal representative's
authorised person:

Mai Boliang

*The person in charge of
accounting affairs:*

Zeng Han

*The head of the accounting
department:*

Zeng Han

4.1.6 Cash Flow Statement of the Parent Company (unaudited)

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

Unit: RMB thousand

Item	Current amount (January to March 2018)	Previous amount (January to March 2017)
I. Cash flows from operating activities:		
Cash received from sales of goods or rendering of services	<u>160,622</u>	92,944
Cash received relating to other operating activities	<u>3,304,016</u>	2,330,971
Sub-total of cash inflows from operating activities	<u>3,464,638</u>	2,423,915
Cash paid to and on behalf of employees	<u>26,698</u>	23,594
Payments of taxes and surcharges	<u>7,876</u>	3,614
Cash paid relating to other operating activities	<u>3,282,436</u>	2,956,569
Sub-total of cash outflows from operating activities	<u>3,317,010</u>	2,983,777
Net cash flows from operating activities	<u>147,628</u>	<u>(559,862)</u>
II. Cash flows from investing activities:		
Cash received from disposal of investments	<u>706,933</u>	4,500,000
Cash received from returns on investments	<u>329</u>	160,739
Net cash received from disposal of fixed assets intangible assets and other long-term assets	<u>3,495</u>	-
<u>Net cash received from disposal of subsidiaries and other business units</u>	<u>40,000</u>	-
Sub-total of cash inflows from investing activities	<u>750,757</u>	4,660,739
Cash paid to acquire fixed assets, intangible assets and other long-term assets	<u>4,988</u>	6,024
Cash paid to acquire investments	<u>500,000</u>	5,200,000
Cash paid relating to other investing activities	<u>1,800,000</u>	300,000
Sub-total of cash outflows from investing activities	<u>2,304,988</u>	5,506,024
Net cash flows from investing activities	<u>(1,554,231)</u>	<u>(845,285)</u>

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

Unit: RMB thousand

Item	Current amount (January to March 2018)	Previous amount (January to March 2017)
III. Cash flows from financing activities:		
Cash received from borrowings	<u>2,375,000</u>	2,470,000
Sub-total of cash inflows from financing activities	<u>2,375,000</u>	2,470,000
Cash repayments of borrowings	<u>196,000</u>	2,060,000
Cash payments for interest expenses or distribution of dividends or profits	<u>39,209</u>	19,737
Sub-total of cash outflows from financing activities	<u>235,209</u>	2,079,737
Net cash flows from financing activities	<u>2,139,791</u>	<u>390,263</u>
IV. Effect of exchange rate changes on cash and cash equivalents	<u>(2,780)</u>	<u>1</u>
V. Net increase in cash and cash equivalents	<u>730,408</u>	(1,014,883)
Add: Opening balance of cash and cash equivalents	<u>335,730</u>	<u>1,715,470</u>
VI. Closing balance of cash and cash equivalents	<u>1,066,138</u>	<u>700,587</u>

Legal representative's
authorised person:
Mai Boliang

*The person in charge of
accounting affairs:*
Zeng Han

*The head of the accounting
department:*
Zeng Han

4.2 Auditor's report

Whether the first quarterly report has been audited

Yes No

The first quarterly financial report of the Company for 2018 has not been audited.

By order of the Board
China International Marine Containers (Group) Co., Ltd.
YU Yuqun
Company Secretary

Hong Kong, 27 April 2018

As at the date of this announcement, the Board comprises Mr. WANG Hong (Chairman), Mr. WANG Yuhang (Vice-chairman), Mr. HU Xianfu and Mr. LIU Chong as non-executive Directors; Mr. MAI Boliang as an executive Director; and Mr. PAN Chengwei, Mr. PAN Zhengqi and Mr. WONG Kwai Huen, Albert as independent non-executive Directors.

* For identification only