CIMC ENRIC

CIMC Enric Holdings Limited
中集安瑞科控股有限公司

(Incorporated in the Cayman Islands with limited liability)
（於開曼群島註冊成立之有限公司）
Stock Code 股份代號：3899

THE 10th ANNIVERSARY OF LISTING
上市十週年

INTERIM REPORT
中期報告
2015

Vision 願景

To be a world-leading manufacturer of specialised equipment, provider of project engineering services and comprehensive solutions for energy, chemical and liquid food industries.

成為全球領先的能源、化工及液態食品行業專用裝備製造商、項目工程服務和整體解決方案供應商。

Mission 使命

To contribute to the technological advancement and industry development for the global energy, chemical and liquid food equipment markets; to maximise value for the Company's stakeholders; to contribute to a greener, cleaner and better living.

為全球能源、化工、液態食品裝備行業的技術進步和產業發展，為公司利益相關者的價值最大化，為人類生活更加綠色、清潔、美好做出貢獻。

About Us 關於我們

Founded in 2004, CIMC Enric has been listed on the Hong Kong Stock Exchange since 2005 and is a member of the CIMC Group.

Our production bases and R&D centres are located in various countries including China, the Netherlands, Germany, Belgium and Denmark, shaping an interactive and complementary business model across China and Europe. Our sales and marketing network spans across the world.

中集安瑞科於2004年成立，自2005年在香港聯交所上市，為中集集團成員之一。

我們在中國、荷蘭、德國、比利時、丹麥等國家擁有生產基地和研發中心，形成了中歐互動、互為支持的產業格局。我們的營銷網絡遍布全球。

Contents

Financial Highlights

	As at 30 June 2015 RMB'000	As at 31 December 2014 RMB'000	+/–
FINANCIAL POSITION			
Total assets	**10,565,015**	10,627,725	–0.6%
Net assets	**6,102,658**	6,128,630	–0.4%
Net current assets	**3,551,712**	3,568,762	–0.5%
Cash and cash equivalents	**1,595,817**	1,683,210	–5.2%
Bank loans and other borrowings	**364,571**	195,722	+86.3%
Gearing ratio[1]	**6.0%**	3.2%	+2.8 ppt

	For the six months ended 30 June		
	2015 RMB'000	2014 RMB'000	+/–
OPERATING RESULTS			
Turnover	**4,163,049**	5,020,353	–17.1%
Gross profit	**710,160**	927,116	–23.4%
EBITDA	**470,224**	644,461	–27.0%
Profits from operations	**371,726**	547,328	–32.1%
Profit attributable to equity shareholders	**288,499**	511,755	–43.6%
PER SHARE DATA			
Earnings per share – Basic	**RMB0.149**	RMB0.265	–43.8%
Earnings per share – Diluted	**RMB0.147**	RMB0.259	–43.2%
Net asset value per share	**RMB3.154**	RMB2.944	+7.1%
KEY STATISTICS			
GP ratio	**17.1%**	18.5%	–1.4 ppt
EBITDA margin	**11.3%**	12.8%	–1.5 ppt
Operating profit margin	**8.9%**	10.9%	–2.0 ppt
Net profit margin[2]	**6.9%**	10.2%	–3.3 ppt
Return on equity (half year)[3]	**4.8%**	9.4%	–4.6 ppt
Interest coverage – times	**51.0**	36.8	+14.2
Inventory turnover days	**101**	107	–6
Debtor turnover days	**133**	98	+35
Creditor turnover days	**97**	81	+16

Notes:

1 Gearing ratio = Bank loans and other borrowings/Total equity

2 Net profit margin = Profit attributable to equity shareholders/Turnover

3 Return on equity = Profit attributable to equity shareholders/Average shareholders' equity

pwc 羅兵咸永道

REPORT ON REVIEW OF INTERIM FINANCIAL REPORT
TO THE BOARD OF DIRECTORS OF CIMC ENRIC HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial report set out on pages 4 to 33, which comprises the consolidated balance sheet of CIMC Enric Holdings Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2015 and the related consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the condensed consolidated cash flow statement for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial report in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial report based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 19 August 2015

Consolidated Income Statement

For the six months ended 30 June 2015 – unaudited

		Six months ended 30 June	
		2015	2014
	Note	**RMB'000**	RMB'000
			(Restated)
Turnover	*6*	**4,163,049**	5,020,353
Cost of sales		**(3,452,889)**	(4,093,237)
Gross profit		**710,160**	927,116
Change in fair value of derivative financial instruments		**6,644**	(3,047)
Other revenue	*7*	**80,366**	113,239
Other income, net	*7*	**3,202**	6,133
Selling expenses		**(132,272)**	(142,444)
Administrative expenses		**(296,374)**	(353,669)
Profit from operations		**371,726**	547,328
Finance costs	*8*	**(7,859)**	(17,520)
Share of post-tax loss of associates	*12*	**(424)**	–
Profit before taxation	*8*	**363,443**	529,808
Income tax expenses	*9*	**(69,442)**	(11,635)
Profit for the period		**294,001**	518,173
Attributable to:			
Equity shareholders of the Company		**288,499**	511,755
Non-controlling interests		**5,502**	6,418
Profit for the period		**294,001**	518,173
Earnings per share	*10*		
Basic		**RMB0.149**	RMB0.265
Diluted		**RMB0.147**	RMB0.259

The notes on pages 11 to 33 form an integral part of this interim financial report.

Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2015 – unaudited

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
		(Restated)
Profit for the period	**294,001**	518,173
Other comprehensive income for the period		
Items that may be reclassified to profit or loss:		
Currency translation differences	**(48,878)**	(1,002)
Total comprehensive income for the period	**245,123**	517,171
Attributable to:		
Equity shareholders of the Company	**239,621**	510,753
Non-controlling interests	**5,502**	6,418
Total comprehensive income for the period	**245,123**	517,171

The notes on pages 11 to 33 form an integral part of this interim financial report.

Consolidated Balance Sheet

As at 30 June 2015 – unaudited

	Note	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000 (Restated)
Non-current assets			
Property, plant and equipment	*11*	**1,976,405**	2,007,767
Construction in progress		**280,804**	227,072
Investment property		**34,728**	38,982
Lease prepayments		**435,170**	440,373
Intangible assets		**84,627**	97,020
Investment in associates	*12*	**4,000**	4,457
Prepayment	*13*	**72,000**	–
Goodwill		**131,428**	129,341
Deferred tax assets		**53,926**	58,123
		3,073,088	3,003,135
Current assets			
Derivative financial instruments		**5,556**	29
Inventories	*14*	**1,916,257**	1,968,608
Trade and bills receivables	*15*	**2,991,748**	3,139,053
Deposits, other receivables and prepayments		**735,286**	553,375
Amounts due from related parties	*22(c)*	**161,234**	168,429
Restricted bank deposits	*16*	**86,029**	111,886
Cash and cash equivalents	*16*	**1,595,817**	1,683,210
		7,491,927	7,624,590
Current liabilities			
Derivative financial instruments		**394**	1,511
Bank loans	*17*	**60,487**	60,499
Loans from related parties		**210,000**	110,000
Trade and bills payables	*18*	**1,842,139**	1,859,682
Other payables and accrued expenses		**1,658,723**	1,855,371
Amounts due to related parties	*22(c)*	**90,792**	102,908
Provisions		**56,209**	49,375
Income tax payable		**21,245**	16,334
Employee benefit liabilities		**226**	148
		3,940,215	4,055,828
Net current assets		**3,551,712**	3,568,762
Total assets less current liabilities		**6,624,800**	6,571,897

	Note	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000 (Restated)
Non-current liabilities			
Bank loans	*17*	**94,084**	25,223
Provisions		**38,849**	47,647
Deferred tax liabilities		**111,817**	98,007
Deferred income		**275,506**	271,215
Employee benefit liabilities		**1,886**	1,175
		522,142	443,267
NET ASSETS		**6,102,658**	6,128,630
CAPITAL AND RESERVES			
Share capital		**17,726**	17,699
Reserves	*20*	**6,032,183**	6,065,127
Equity attributable to equity shareholders of the Company		**6,049,909**	6,082,826
Non-controlling interests		**52,749**	45,804
TOTAL EQUITY		**6,102,658**	6,128,630

The notes on pages 11 to 33 form an integral part of this interim financial report.

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2015 – unaudited

	Attributable to equity shareholders of the Company								Non-controlling interests	Total equity
	Share capital RMB'000	Share premium RMB'000	Contributed surplus RMB'000 *(Note 20(b))*	Capital reserve RMB'000 *(Note 20(c))*	Exchange reserve RMB'000	General reserve fund RMB'000 *(Note 20(d))*	Retained profits RMB'000	Total RMB'000	RMB'000	RMB'000
At 1 January 2014 (as previously reported)	17,376	139,414	1,135,360	58,485	(202,418)	329,607	3,811,121	5,288,945	34,071	5,323,016
Burg Service B.V. under common control combination	–	–	1,263	–	83	–	8,301	9,647	–	9,647
At 1 January 2014 (restated)	17,376	139,414	1,136,623	58,485	(202,335)	329,607	3,819,422	5,298,592	34,071	5,332,663
Comprehensive income for the period										
Profit for the period	–	–	–	–	–	–	511,755	511,755	6,418	518,173
Other comprehensive income	–	–	–	–	(1,002)	–	–	(1,002)	–	(1,002)
Total comprehensive income for the period	–	–	–	–	(1,002)	–	511,755	510,753	6,418	517,171
Issuance of shares in connection with exercise of share options	36	17,044	–	(4,897)	–	–	–	12,183	–	12,183
Equity-settled share-based transactions	–	–	–	4,997	–	–	–	4,997	–	4,997
Transfer to retained profits	–	–	–	(117)	–	–	117	–	–	–
Transfer to general reserve	–	–	–	–	–	17,722	(17,722)	–	–	–
2013 final dividend paid	–	–	–	–	–	–	(180,471)	(180,471)	–	(180,471)
Total contributions by and distributions to owners of the company, recognised directly in equity	36	17,044	–	(17)	–	17,722	(198,076)	(163,291)	–	(163,291)
At 30 June 2014 (restated)	17,412	156,458	1,136,623	58,468	(203,337)	347,329	4,133,101	5,646,054	40,489	5,686,543

	Attributable to equity shareholders of the Company									
	Share capital RMB'000	Share premium RMB'000	Contributed surplus RMB'000 *(Note 20(b))*	Capital reserve RMB'000 *(Note 20(c))*	Exchange reserve RMB'000	General reserve fund RMB'000 *(Note 20(d))*	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2015 (as previously reported)	17,699	127,924	1,135,045	87,400	(281,433)	373,313	4,610,391	6,070,339	45,804	6,116,143
Burg Service B.V. under common control combination	-	-	1,263	-	(1,386)	-	12,610	12,487	-	12,487
At 1 January 2015 (restated)	17,699	127,924	1,136,308	87,400	(282,819)	373,313	4,623,001	6,082,826	45,804	6,128,630
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	288,499	288,499	5,502	294,001
Other comprehensive income	-	-	-	-	(48,878)	-	-	(48,878)	-	(48,878)
Total comprehensive income for the period	-	-	-	-	(48,878)	-	288,499	239,621	5,502	245,123
Issuance of shares in connection with exercise of share options	27	13,570	-	(4,245)	-	-	-	9,352	-	9,352
Distribution to previous shareholders of Burg under common control combination	-	-	(11,737)	-	-	-	-	(11,737)	-	(11,737)
Equity-settled share-based transactions	-	-	-	27,372	-	-	-	27,372	-	27,372
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	1,443	1,443
Transfer to retained profits	-	-	-	(117)	-	-	117	-	-	-
Transfer to general reserve	-	-	-	-	-	5,015	(5,015)	-	-	-
2014 final dividend paid	-	-	-	-	-	-	(297,525)	(297,525)	-	(297,525)
Total contributions by and distributions to owners of the company, recognised directly in equity	27	13,570	(11,737)	23,010	-	5,015	(302,423)	(272,538)	1,443	(271,095)
At 30 June 2015	17,726	141,494	1,124,571	110,410	(331,697)	378,328	4,609,077	6,049,909	52,749	6,102,658

The notes on pages 11 to 33 form an integral part of this interim financial report.

Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2015 – unaudited

	Note	Six months ended 30 June 2015 RMB'000	2014 RMB'000 (Restated)
Operating activities			
Cash generated from operations		**315,905**	60,479
Income tax paid		**(39,918)**	(109,881)
Net cash from/(used in) operating activities		**275,987**	(49,402)
Investing activities			
Payment for acquisition of property, plant and equipment and construction in progress		**(131,386)**	(160,033)
Payment for acquisition of intangible assets		**(639)**	(55)
Acquisition of a subsidiary, net of cash acquired		**(3,508)**	–
Prepayment for equity investment		**(72,000)**	–
Proceeds from disposal of intangible assets		**–**	5,137
Proceeds from disposal of property, plant and equipment		**235**	549
Proceeds from disposal of investments		**–**	8,000
Capital contribution to the associate		**–**	(2,057)
Interest received		**7,837**	9,195
Net cash used in investing activities		**(199,461)**	(139,264)
Financing activities			
Proceeds from new bank loans		**141,157**	205,341
Repayment of bank loans		**(72,127)**	(222,319)
Interest paid		**(8,361)**	(15,475)
Proceeds from issuance of ordinary shares		**9,352**	12,183
Dividends paid to Company's shareholders		**(297,525)**	(180,471)
Loans from related parties		**100,000**	110,414
Repayment of loans from a related party		**–**	(61,000)
Net cash used in financing activities		**(127,504)**	(151,327)
Net decrease in cash and cash equivalents		**(50,978)**	(339,993)
Cash and cash equivalents at 1 January	*16(b)*	**1,683,210**	1,541,284
Effect of foreign exchange rate changes		**(36,415)**	2,429
Cash and cash equivalents at 30 June	*16(b)*	**1,595,817**	1,203,720

The notes on pages 11 to 33 form an integral part of this interim financial report.

Notes to the Unaudited Interim Financial Report

1 General information

CIMC Enric Holdings Limited (the "Company") and its subsidiaries (together the "Group") is principally engaged in the design, development, manufacturing, engineering and sales of, and the provision of technical maintenance services for, a wide spectrum of transportation, storage and processing equipment that is widely used in the energy, chemical and liquid food industries.

The Company is a limited liability company incorporated in the Cayman Islands. The address of its registered office is Cricket-Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company has its primary listing on the Stock Exchange of Hong Kong Limited.

This condensed consolidated interim financial report was approved for issue on 19 August 2015.

This condensed consolidated interim financial report has been reviewed, not audited.

2 Significant accounting policies

(a) *Basis of preparation of the interim financial report*

This interim financial report for the six months ended 30 June 2015 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The interim financial report should be read in conjunction with the annual financial statements for the year ended 31 December 2014, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

(b) *Restatement due to common control combinations*

On 10 July 2014, Sound Winner Holdings Limited ("Sound Winner"), a wholly-owned subsidiary of the Company, acquired from CIMC Tank Equipment Investment Holdings Company Limited ("CIMC Tank Equipment") 100% of the registered capital of Holvrieka (China) Co., Ltd. ("NCLS"). The consideration was satisfied by Sound Winner procuring the allotment and issue of 39,740,566 ordinary shares by the Company to CIMC Tank Equipment.

On 26 March 2015, Vela Holding B.V. ("Vela"), a wholly-owned subsidiary of the Company, acquired from Beheermaatschappij.Burg.B.V. ("Beheermaatschappij") 100% issued shares in Burg Service B.V. ("Burg") for an aggregate consideration of RMB11,737,000.

Since the Company, Sound Winner and NCLS, Vela and Burg are ultimately controlled by China International Marine Containers (Group) Co., Ltd. ("CIMC") both before and after the abovementioned acquisitions, these acquisitions are regarded as "common control combinations". Accordingly, the Company has applied merger accounting to account for the acquisitions of NCLS and Burg in accordance with Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the HKICPA.

In applying merger accounting, the consolidated financial statements incorporate the financial statement items of the combining entities in which the common control combination occurred as if they had been combined from the date when the combining entities first came under the control of the controlling party.

The net assets of the combining entities are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated income statement includes the results of each of the combining entities from the earliest date presented or since the date when the combining entities first came under the common control, where this is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the consolidated financial statements are presented as if the entities had been combined at the previous balance sheet date unless they first came under common control at a later date.

Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs or losses incurred in combining operations of the previously separate businesses, incurred in relation to the common control combination that are to be accounted for by using merger accounting are recognised as expenses in the year in which they are incurred.

Reconciliation of the results of operations for the six months ended 30 June 2014 and the financial position as at 31 December 2014 previously reported by the Group and the restated amounts presented in the consolidated financial statements are set out below:

	For the six months ended 30 June 2014					**For the six months ended 30 June 2015**
	The Group RMB'000 (as previously reported)	NCLS RMB'000	Burg RMB'000	Elimination RMB'000	The Group RMB'000 (restated)	**The Group RMB'000**
Results of operations						
Revenue	4,813,121	270,467	37,861	(101,096)	5,020,353	**4,163,049**
Profit from operations	534,459	10,671	2,198	–	547,328	**371,726**
Profit for the period	514,467	2,070	1,636	–	518,173	**294,001**
Profit for the period attributable to equity shareholders of the Company	508,049	2,070	1,636	–	511,755	**288,499**
Basic earnings per share (RMB)	0.268	–	–	–	0.265	**0.149**
Diluted earnings per share (RMB)	0.263	–	–	–	0.259	**0.147**

	As at 31 December 2014				**As at 30 June 2015**
	The Group RMB'000 (as previously reported)	Burg RMB'000	Elimination RMB'000	The Group RMB'000 (restated)	**The Group RMB'000**
Financial position					
Current assets	7,601,410	23,180	–	7,624,590	**7,491,927**
Total assets	10,601,282	26,443	–	10,627,725	**10,565,015**
Current liabilities	4,042,152	13,676	–	4,055,828	**3,940,215**
Total liabilities	4,485,139	13,956	–	4,499,095	**4,462,357**
Equity attributable to equity shareholders of the Company	6,070,339	12,487	–	6,082,826	**6,102,658**

(c) *Changes in accounting policies and disclosures*

(i) The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2014 as described in those annual financial statements.

(ii) There are no amended standards or interpretations that are effective for the first time for this interim period that could be expected to have a material impact on this Group.

(iii) The following new standards and amendments to standards have been issued but are not effective for the financial period beginning 1 January 2015 and have not been early adopted:

	Effective for accounting periods beginning on or after
Amendment to HKFRS 11 "Accounting for acquisitions of interests in joint operation"	1 January 2016
Amendments to HKAS 16 and HKAS 38 "Clarification of acceptable methods of depreciation and amortisation"	1 January 2016
Amendments to HKFRS 10 and HKAS 28 "Sale or contribution of assets between an investor and its associate or joint venture"	1 January 2016
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 "Investment entities: applying the consolidation exception"	1 January 2016
Amendments to HKAS 1 "Disclosure initiative"	1 January 2016
Annual improvements 2014	1 January 2016
HKFRS 15 "Revenue from Contracts with Customers"	1 January 2017
HKFRS 9 "Financial Instruments"	1 January 2018

Management is in the process of making an assessment of their impact and is not yet in a position to state whether any substantial changes to the Group's significant accounting policies and presentation of the financial report will be resulted in. The Directors of the Company will adopt the new standards and amendments to standards when they become effective.

3 Estimates

The preparation of interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2014.

4 Financial risk management

(a) *Financial risk factors*

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The interim financial report does not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the group's annual financial statements as at 31 December 2014.

There have been no changes in the risk management department or in any risk management policies since the year end.

(b) *Liquidity risk*

Individual operating entities within the Group are responsible for their own cash management, including the raising of loans to cover expected cash demands, subject to approval by the parent company when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following table details the remaining contractual maturities at the balance sheet date of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the balance sheet date) and the earliest date the Group can be required to pay:

	At 30 June 2015 Contractual undiscounted cash flow				At 31 December 2014 Contractual undiscounted cash flow (restated)			
	Within 1 year or on demand RMB'000	**1 to 5 years RMB'000**	**Total RMB'000**	**Carrying amount RMB'000**	Within 1 year or on demand RMB'000	1 to 5 years RMB'000	Total RMB'000	Carrying amount RMB'000
Bank loans	**61,595**	**95,952**	**157,547**	**154,571**	62,827	26,736	89,563	85,722
Bill payables, creditors and accrued expenses	**2,548,403**	**-**	**2,548,403**	**2,548,403**	2,555,513	–	2,555,513	2,555,513
Amounts due to related parties	**305,955**	**-**	**305,955**	**300,792**	218,648	–	218,648	212,908
	2,915,953	**95,952**	**3,011,905**	**3,003,766**	2,836,988	26,736	2,863,724	2,854,143

(c) *Fair value estimation*

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

As at 30 June 2015, the Group's only financial instruments measured at fair value were derivative financial instruments arising from forward exchange contracts and classified as level 2.

There were no transfers between Levels 1 and 2 during the period.

There were no other changes in valuation techniques during the period.

(d) *Valuation techniques used to derive Level 2 fair values*

Level 2 financial instruments comprise forward foreign exchange contracts. These forward foreign exchange contracts have been fair valued using forward exchange rates that are quoted in an active market.

(e) *Fair value of financial assets and liabilities measured at amortised cost*

The carrying amounts of the financial assets and liabilities carried at cost or amortised cost are not materially different from their fair values as at 30 June 2015 and 31 December 2014.

5 Segment reporting

The Group manages its businesses by divisions organised by business lines (products and services). In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified the following three reportable segments based on the economic characteristic of the business units.

- Energy equipment: this segment specialises in the manufacture and sale of a wide range of equipment for the storage, transportation, processing and distribution of natural gas such as compressed natural gas trailers, seamless pressure cylinders, liquefied natural gas ("LNG") trailers, LNG storage tanks, liquefied petroleum gas ("LPG") tanks, LPG trailers, natural gas refuelling station systems and natural gas compressors; and the provision of engineering, procurement and construction services for the natural gas industry.

- Chemical equipment: this segment specialises in the manufacture and sale of a wide range of equipment, such as tank containers, for the storage and transportation of liquefied or gasified chemicals.

- Liquid food equipment: this segment specialises in the engineering, manufacture and sale of stainless steel tanks for storage and processing liquid food such as beer, fruit juice and milk; and the provision of engineering, procurement and construction services for the brewery industry as well as other liquid food industries.

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management, which is the Group's chief operating decision-maker, monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include non-current assets and current assets with the exception of deferred tax assets and certain assets unallocated to an individual reportable segment. Segment liabilities include non-current liabilities and current liabilities with the exception of income tax payable, deferred tax liabilities and certain liabilities unallocated to an individual reportable segment.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit is "adjusted profit from operations". To arrive at the Group's profits, the reporting segments' adjusted profits from operation are further adjusted for items not specifically attributed to an individual reportable segment, such as finance costs, share of post-tax loss of associates, directors' remuneration and other head office or corporate administrative expenses.

In addition to receiving segment information concerning adjusted profit from operations, management is provided with segment information concerning revenue (including inter-segment sales), interest income from bank deposits, interest expenses, depreciation, amortisation and impairment losses and additions to non-current segment assets used by the segments in their operations. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purpose of resource allocation and assessment of segment performance for the period is set out below:

	Energy equipment		Chemical equipment		Liquid food equipment		Total	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2015 RMB'000	2014 RMB'000 (restated)	**2015 RMB'000**	2014 RMB'000 (restated)	**2015 RMB'000**	2014 RMB'000 (restated)	**2015 RMB'000**	2014 RMB'000 (restated)
Revenue from external customers	**1,669,285**	2,335,341	**1,515,438**	1,658,419	**978,326**	1,026,593	**4,163,049**	5,020,353
Inter-segment revenue	**24**	472	**30,458**	38,299	**–**	57	**30,482**	38,828
Reportable segment revenue	**1,669,309**	2,335,813	**1,545,896**	1,696,718	**978,326**	1,026,650	**4,193,531**	5,059,181
Reportable segment profit (adjusted profit from operations)	**113,823**	257,429	**179,477**	220,936	**99,206**	59,994	**392,506**	538,359

	Energy equipment		Chemical equipment		Liquid food equipment		Total	
	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000 (restated)	**At 30 June 2015 RMB'000**	At 31 December 2014 RMB'000 (restated)	**At 30 June 2015 RMB'000**	At 31 December 2014 RMB'000 (restated)	**At 30 June 2015 RMB'000**	At 31 December 2014 RMB'000 (restated)
Reportable segment assets	**5,971,770**	6,048,600	**2,215,378**	2,103,727	**2,106,358**	2,372,517	**10,293,506**	10,524,844
Reportable segment liabilities	**2,521,666**	2,503,883	**635,399**	600,346	**1,051,067**	1,154,667	**4,208,132**	4,258,896

(b) *Reconciliations of reportable segment revenue, profit, assets and liabilities*

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
		(restated)
Revenue		
Reportable segment revenue	**4,193,531**	5,059,181
Elimination of inter-segment revenue	**(30,482)**	(38,828)
Consolidated turnover	**4,163,049**	5,020,353

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
		(restated)
Profit		
Reportable segment profit	**392,506**	538,359
Elimination of inter-segment profits	**(895)**	(9,499)
Reportable segment profit derived from the Group's external customers	**391,611**	528,860
Finance costs	**(7,859)**	(17,520)
Unallocated operating (expenses)/income	**(19,885)**	18,468
Share of post-tax loss of associates	**(424)**	–
Consolidated profit before taxation	**363,443**	529,808

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000 (restated)
Assets		
Reportable segment assets	**10,293,506**	10,524,844
Elimination of inter-segment receivables	**(92,945)**	(48,781)
	10,200,561	10,476,063
Deferred tax assets	**53,926**	58,123
Unallocated assets	**310,528**	93,539
Consolidated total assets	**10,565,015**	10,627,725

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000 (restated)
Liabilities		
Reportable segment liabilities	**4,208,132**	4,258,896
Elimination of inter-segment payables	**(92,545)**	(48,781)
	4,115,587	4,210,115
Income tax payable	**21,245**	16,334
Deferred tax liabilities	**111,817**	98,007
Unallocated liabilities	**213,708**	174,639
Consolidated total liabilities	**4,462,357**	4,499,095

There are no differences from the last annual financial statements in the basis of segmentation or in the basis of measurement of segment profit or loss.

6 Turnover

The Group is principally engaged in the design, development, manufacturing, engineering and sales of, and the provision of technical maintenance services for, a wide spectrum of transportation, storage and processing equipment that is widely used in the energy, chemical and liquid food industries.

Turnover represents (i) the sales value of goods sold after allowances for returns of goods, excluding value added or other sales taxes and after the deduction of any trade discounts; and (ii) revenue from project engineering contracts. The amount of each significant category of revenue recognised in turnover during the period is as follows:

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
		(restated)
Sales of goods	**2,853,059**	3,900,508
Revenue from project engineering contracts	**1,309,990**	1,119,845
	4,163,049	5,020,353

7 Other revenue and other income, net

(a) Other revenue

		Six months ended 30 June	
		2015	2014
	Note	**RMB'000**	RMB'000
			(restated)
Government grants	*(i)*	**17,822**	18,073
Other operating revenue	*(ii)*	**54,707**	78,030
Interest income from bank deposits		**7,837**	9,195
Investment income	*(iii)*	**–**	7,941
		80,366	113,239

(i) Government grants represent various forms of incentives and subsidies given to the Company's subsidiaries by the PRC government.

(ii) Other operating revenue consists mainly of income earned from subcontracting service and the sale of scrap materials.

(iii) Investment income represents the gain from disposal of the available-for-sale equity interests.

(b) Other income, net

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
		(restated)
Net loss on disposal of property, plant and equipment	**(253)**	(283)
Charitable donations	**(500)**	–
Foreign exchange loss	**(1,676)**	(593)
Other net income	**5,631**	7,009
	3,202	6,133

8 Profit before taxation

Profit before taxation is arrived at after charging/(crediting):

(i) Finance costs

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
		(restated)
Interest on bank loans and other borrowings	**7,276**	14,779
Bank charges	**583**	2,741
	7,859	17,520

(ii) Other items

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
		(restated)
Depreciation of property, plant and equipment	**84,505**	86,191
Amortisation of intangible assets	**8,605**	9,641
Amortisation of lease prepayments	**5,201**	5,318
Impairment provision for trade receivables	**6,301**	1,782
Reversal of impairment provision of trade receivables	**(68)**	(633)
Write-down of inventories	**–**	3,248
Reversal of write-down of inventories	**(10,807)**	–
Research and development costs	**64,209**	76,344
Operating lease charges for property rental	**7,960**	8,509
Provision for product warranties	**20,380**	18,521
Equity-settled share-based payment expenses	**27,372**	4,997

9 Income tax expenses

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
		(restated)
Current income tax	**44,398**	70,666
Deferred income tax	**25,044**	(59,031)
	69,442	11,635

No provision has been made for Hong Kong Profits Tax as the Group did not have assessable profits subject to Hong Kong Profits Tax during the period.

According to the Corporate Income Tax Law of the People's Republic of China (the "Tax Law"), the Company's subsidiaries in the PRC are subject to statutory income tax rate of 25%, except for those which are entitled to a preferential tax treatment applicable to advanced and new technology enterprises at an income tax rate of 15%.

Pursuant to the Tax Law, "Notice of the State Administration of Taxation on Issues Concerning the Determination of Chinese-Controlled Enterprises Registered Overseas as Resident Enterprises on the Basis of Their Bodies of Actual Management" and "Announcement of the State Administration of Taxation on Issues Concerning the Determination of Resident Enterprises on the Basis of Their Actual Management Bodies", the Administration of Local Taxation of Shenzhen Municipality issued an approval under which certain foreign subsidiaries of the Group are regarded as Chinese resident enterprises. Therefore, during the six months ended 30 June 2014, the deferred withholding tax liability of approximately RMB59,053,000 previously provided for the distributable profits of PRC subsidiaries was reversed and credited to income tax.

Taxation of subsidiaries in the Netherlands, Belgium, Denmark and Germany are charged at the prevailing rates of 25%, 33.99%, 25% and 30% respectively in the relevant countries and are calculated on a stand-alone basis.

10 Earnings per share

As detailed in note 2(b), the Company has applied merger accounting to account for the acquisition of NCLS which are under common control in accordance with Accounting Guideline 5 "Merger Accounting for Common Control Combinations" under which the consolidated financial statements have been prepared on the basis that the Company was the holding company of the acquired subsidiaries for both years presented, rather than the date of completion. The Company has issued 39,740,566 ordinary shares as consideration for the acquisition. In the calculation of weighted average number of ordinary shares and non-redeemable convertible preference shares in issue, these shares have been treated as if they had been in issue during both years presented.

The calculation of the basic and diluted earnings per share attributable to equity shareholders of the Company is based on the following data:

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
		(restated)
Earnings		
Earnings for the purposes of basic and diluted earnings per share	**288,499**	511,755

	Six months ended 30 June	
	2015	2014
		(restated)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,933,055,176**	1,933,564,939
Effect of dilutive potential ordinary shares in respect of the Company's share options scheme *(note 19)*	**28,500,243**	40,479,290
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,961,555,419**	1,974,044,229

11 Property, plant and equipment

During the six months ended 30 June 2015, the addition of property, plant and equipment (including transfer from construction in progress) of the Group amounted to RMB79,675,000 (six months ended 30 June 2014: RMB74,215,000). Items of property, plant and equipment with net book value totalling RMB6,446,000 were disposed of during the six months ended 30 June 2015 (six months ended 30 June 2014: RMB1,087,000), resulting in a loss on disposal of RMB253,000 (six months ended 30 June 2014: RMB283,000).

12 Investment in associates

The movement of the investment in associates during the period is as follows:

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
At 1 January	**4,457**	4,000
Addition	**–**	2,057
Share of post-tax loss of associates	**(424)**	–
Exchange adjustment	**(33)**	–
At 30 June	**4,000**	6,057

There are no contingent liabilities relating to the Group's interest in the associates.

13 Prepayment

On 26 March 2015, CIMC Enric Investment Holdings (Shenzhen) Ltd. ("EIHL"), an indirect wholly-owned subsidiary of the Company, entered into an agreement with Mr. Zhao Dequan, Mr. Fang Gongshen and Ms. Zhao Xiuyan, pursuant to which they agreed to sell and EIHL agreed to purchase 60% equity interest in Liaoning Hashenleng Gas Liquefaction Plant Co.,Ltd., being 30%, 18% and 12% equity interest held by Mr. Zhao Dequan, Mr. Fang Gongshen and Ms. Zhao Xiuyan, respectively. The consideration for the acquisition is RMB240,000,000. As at 30 June 2015, EIHL has paid RMB72,000,000 and the transaction has not yet been completed.

14 Inventories

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000 (restated)
Raw materials	**689,564**	725,815
Consignment materials	**104,143**	79,274
Work in progress	**541,541**	568,851
Finished goods	**581,009**	594,668
	1,916,257	1,968,608

15 Trade and bills receivables

An ageing analysis of trade and bills receivables of the Group is as follows:

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000 (restated)
Current	**2,185,727**	2,334,421
Less than 1 month past due	**179,557**	146,710
1 to 3 months past due	**116,083**	278,644
More than 3 months but less than 12 months past due	**377,450**	304,281
More than 12 months past due	**132,931**	74,997
Amounts past due	**806,021**	804,632
	2,991,748	3,139,053

Trade and bills receivables (net of impairment losses for bad and doubtful debts) are expected to be recovered within one year. In general, debts are due for payment upon billing. Subject to negotiation, credit terms up to twelve months are available for certain customers with well-established trading and payment records on a case-by-case basis.

16 Restricted bank deposits and cash and cash equivalents

(a) Restricted bank deposits

At 30 June 2015, RMB86,029,000 (31 December 2014: RMB111,886,000) were restricted as deposits for banking facilities.

(b) Cash and cash equivalents

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000 (restated)
Cash in hand and demand deposits	**1,594,914**	1,682,155
Restricted bank deposits within three months of maturity	**903**	1,055
	1,595,817	1,683,210

17 Bank loans

At 30 June 2015, the bank loans were repayable as follows:

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Within 1 year or on demand	**60,487**	60,499
After 1 year but within 2 years	**94,084**	25,223
	154,571	85,722

All the bank loans were unsecured. The annual rate of interest charged on the bank loans ranged from 2.33% to 6% for the six months ended 30 June 2015 (six months ended 30 June 2014: 1.98% to 6.15%).

18 Trade and bills payables

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000 (restated)
Trade creditors	**1,614,468**	1,678,606
Bills payables	**227,671**	181,076
	1,842,139	1,859,682

An ageing analysis of trade and bills payables of the Group is as follows:

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000 (restated)
Within 3 months	**1,445,585**	1,583,489
3 months to 12 months	**313,487**	246,642
Over 12 months	**83,067**	29,551
	1,842,139	1,859,682

All the trade and bills payables are expected to be settled within one year.

19 Equity-settled share-based transactions

The Company has a share option scheme which was adopted on 12 July 2006 whereby the Directors of the Company are authorised, at their discretion, to invite eligible persons to take up options at a consideration of HKD1.00 to subscribe for shares of the Company. Each option gives the holder the right to subscribe for one ordinary share in the Company.

On 11 November 2009, 43,750,000 share options were granted to certain eligible persons of the Group. The options outstanding at 30 June 2015 had an exercise price of HKD4.00 and a weighted average remaining contractual life of 4.37 years. As at 30 June 2015, 20,484,000 of these options were outstanding and exercisable.

On 28 October 2011, 38,200,000 share options were granted to certain eligible persons of the Group. The options outstanding at 30 June 2015 had an exercise price of HKD2.48 and a weighted average remaining contractual life of 6.33 years. As at 30 June 2015, 28,571,000 of these options were outstanding, of which 18,161,000 options were exercisable and 10,410,000 options will become exercisable on 28 October 2015.

On 5 June 2014, 38,420,000 share options were granted to certain eligible persons of the Group. The options outstanding at 30 June 2015 had an exercise price of HKD11.24 and a weighted average remaining contractual life of 8.94 years. As at 30 June 2015, 38,420,000 of these options were outstanding, of which 15,368,000 options, 11,526,000 options and 11,526,000 options will become exercisable on 5 June 2016, 2017 and 2018, respectively.

20 Capital, reserves and dividends

(a) Dividends

Final dividend of RMB297,525,000 in relation to the year ended 31 December 2014 was paid in June 2015 (2014: RMB180,471,000).

The Board of Directors do not recommend the payment of any interim dividend for the six months ended 30 June 2015 (2014: Nil).

(b) Contributed surplus

The contributed surplus of the Group includes the difference between:

(a) the nominal value of the share capital and the existing balance on the share premium account of a subsidiary acquired; and the nominal value of the shares issued by the Company in exchange under a reorganisation of the Group during the year ended 31 December 2005;

(b) the nominal value of the share capital and the existing balance on the share premium account of the subsidiaries acquired; and the nominal value of the shares issued by the Company in exchange for the acquisition of certain subsidiaries during the year ended 31 December 2009;

(c) the registered capital of Nantong Transport acquired of RMB69,945,550; and the aggregate cash consideration paid by the Company of RMB66,330,000 for the acquisition of Nantong Transport during the year ended 31 December 2012;

(d) the registered capital of NCLS acquired of RMB324,539,380; and the nominal value of the 39,740,566 ordinary shares issued by the Company in exchange for the acquisition of NCLS during the year ended 31 December 2014; and

(e) the nominal value of the share capital of Burg acquired of RMB1,262,835; and the aggregate cash consideration paid by the Company of RMB11,737,000 for the acquisition of Burg during the six months ended 30 June 2015.

(c) Capital reserve

Capital reserve comprises the portion of the grant date fair value of unexercised share options granted to employees of the Group that has been recognised as an employee cost with a corresponding increase in a capital reserve within equity.

(d) General reserve fund

The Group's wholly owned subsidiaries in the PRC are required to transfer 10% of their net profits, as determined in accordance with PRC accounting rules and regulations, to the general reserve fund until the balance reaches 50% of the registered capital. The general reserve fund can be used for the subsidiaries' working capital purposes and to make up for previous years' losses, if any. This fund can also be used to increase capital of the subsidiaries, if approved. This fund is non-distributable other than upon liquidation. Transfers to this fund must be made before distributing dividends to the Company.

The Group's subsidiary in Belgium is required to set up a legal reserve of 10% of share capital in accordance with the Belgium Law. The legal reserve is not distributable.

21 Commitments

(a) Capital commitments outstanding at 30 June 2015 not provided for in the interim financial report were as follows:

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Contracted for		
– Production facilities	**83,024**	123,875
– Acquisition of equity interest	**175,000**	–
	258,024	123,875

(b) At 30 June 2015, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000 (restated)
Within 1 year	**6,725**	14,026
After 1 year but within 5 years	**10,833**	11,298
After 5 years	**8,651**	6,054
	26,209	31,378

The Group leases a number of properties and office equipment under operating leases. The leases typically run for an initial period of one to three years, with an option to renew the lease when all terms are renegotiated. None of the leases includes contingent rentals.

22 Related party transactions

(a) Transactions with China International Marine Containers (Group) Co., Ltd. ("CIMC") and its subsidiaries and associates

		Six months ended 30 June	
		2015	2014
	Note	**RMB'000**	RMB'000
			(restated)
Nature of transactions			
Sales	*(i)*	**197,442**	214,360
Purchases	*(ii)*	**58,282**	84,458
Comprehensive charges	*(iii)*	**471**	812
Processing charges	*(iv)*	**10,635**	8,711
Processing income	*(v)*	**3,112**	3,628
Office services income	*(vi)*	**7,159**	5,733
Loans from related parties	*(vii)*	**100,000**	110,414
Loan interest expenses	*(vii)*	**4,589**	1,521
Other financing services charges	*(viii)*	**104**	707
Deposit service	*(ix)*	**198,967**	–
Interest income from deposits	*(ix)*	**903**	–

(i) Sales to related parties mainly represent the sale of products to related parties.

(ii) Purchases from related parties mainly represent purchases of raw materials for production.

(iii) Comprehensive charges mainly represent services including staff messing, medical expenses and general services provided to the Group by related parties.

(iv) Processing charges mainly represent processing services, site leasing and other related services provided to the Group by related parties.

(v) Processing income mainly represent processing services of welding, heat treatment and testing provided to related parties by the Group.

(vi) Office services income mainly represents provision of office services including staff catering, transportation services, site leasing and general office services to related parties.

(vii) The loans are unsecured, interest bearing from 4.90% to 5.25% (2014: 4.90% to 5.25%) per annum and are repayable within one year.

(viii) Other financing services charges mainly represent commercial notes acceptance and discounting.

(ix) Deposit service represent deposit acceptance service provided by a related party to the Group. The deposits bear interest and can be withdrawn on demand.

(b) Transactions with the Group's associates

Nature of transactions

		Six months ended 30 June	
		2015	2014
		RMB'000	RMB'000
Lease income	*(i)*	**1,521**	–

(i) Lease income represents the property rental income derived from Nirota B.V.

(c) Amounts due from/(to) related parties

	At 30 June 2015	At 31 December 2014
	RMB'000	RMB'000 (restated)
Trade receivables for products and services	**161,234**	168,429
Trade payables for raw material purchased and receipts in advance for sales	**(90,792)**	(102,908)

(i) The outstanding balances with these related parties are unsecured, interest free and repayable on demand.

(ii) No provisions for bad or doubtful debts have been made in respect of these outstanding receivable balances.

(d) Loans from related parties

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Loans from related parties	**210,000**	110,000

The loans are unsecured, interest bearing from 4.90% to 5.25% (2014: 4.90% to 5.25%) per annum and are repayable within a year.

(e) Deposits placed with a related party

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Deposits	**198,967**	141,749

(i) The deposits bear interest and can be withdrawn on demand.

(ii) The deposits are included as part of the Group's cash and equivalents.

(f) Immediate and ultimate controlling party

As at 30 June 2015, the Directors consider the immediate parent of the Company to be China International Marine Containers (Hong Kong) Limited, which is incorporated in Hong Kong. This entity does not produce financial statements available for public use.

As at 30 June 2015, the Directors consider the ultimate controlling party of the Company to be China International Marine Containers (Group) Co., Ltd., which is incorporated in the People's Republic of China. This entity produces financial statements available for public use.

Management Discussion and Analysis

Business Review

The Group is principally engaged in the design, development, manufacturing, engineering and sales of, and the provision of technical maintenance services for, a wide spectrum of transportation, storage and processing equipment that is widely used in the energy, chemical and liquid food industries.

Product portfolio

The three business segments of the Group are primarily carried out by eight operating units under different brand names:

Energy equipment

- Compressed natural gas ("**CNG**") seamless pressure cylinders
- CNG trailers
- Liquefied natural gas ("**LNG**") trailers and tanks
- Natural gas refueling station systems
- Liquefied petroleum gas ("**LPG**") trailers and tanks
- Natural gas compressors
- Project engineering services, e.g. LNG application projects

Energy equipment is mainly sold under the brand names of "Enric", "Sanctum" and "Hongtu".

Chemical equipment

- Tank containers for chemical liquids, liquefied gas and cryogenic liquids

Tank containers are mainly sold under the brand name "CIMC Tank".

Liquid food equipment

- Stainless steel processing and storage tanks
- Project engineering services, e.g. turnkey projects for the processing and distribution of beer and fruit juice

These products and services are branded under the name "Ziemann Holvrieka".

Turnover

In the wake of the recent slump in international oil price and natural gas pricing reform implemented by the Chinese government in recent years, the price advantage of natural gas as an alternative fuel over oil has weakened significantly in comparison with the first half of 2014. Therefore, the market demand for natural gas equipment dropped significantly during the period, and the Group's energy equipment segment recorded a significant fall in turnover in the first half of 2015. Despite a robust growth in special tank containers' turnover, the falling demand for standardised tank containers caused the chemical equipment segment to post a decrease in turnover. Even with turnover growing in Euro terms by the liquid food equipment segment's European subsidiaries (being the core operating units of the segment), the segment recorded a moderate decline in turnover during the period due to the fact that the Euro has experienced a significant depreciation against RMB which is the reporting currency of the Group. As a result, the turnover for the first half of 2015 slipped by RMB857,304,000 to RMB4,163,049,000 (corresponding period in 2014: RMB5,020,353,000). The performance of each segment is discussed below:

During the first half of 2015, the energy equipment segment's revenue fell by 28.5% to RMB1,669,285,000 (corresponding period in 2014: RMB2,335,341,000) because of a decline in the demand for natural gas equipment in general which was caused by a deceleration in oil-to-gas projects in China as well as the attractiveness of using natural gas as an alternative fuel given the diminished price advantage of natural gas over oil in the recent months. In particular the sales volume of LNG trailers, on-vehicle LNG fuel tanks and LNG refueling stations saw various degrees of decrease comparing with the same period last year. At the same time, due to increased competitive pressures, the average selling price ("ASP") of these products declined which also contributed to the fall in segment turnover. The segment remains the top grossing segment and accounted for 40.1% (corresponding period in 2014: 46.5%) of the Group's total turnover.

The chemical equipment segment's turnover decreased by 8.6% to RMB1,515,438,000 (corresponding period in 2014: RMB1,658,419,000) due to a fall in the sales volume of standardised tank containers which more than offset an increase in demand for special tank containers during the period. The segment made up 36.4% of the Group's total turnover (corresponding period in 2014: 33.0%).

The liquid food equipment segment's turnover posted a moderate decline of 4.7% to RMB978,326,000 during the period (corresponding period in 2014: RMB1,026,593,000) mainly because of the depreciation of Euro against RMB as Euro is the operating currency of the European subsidiaries which are the core operating units of the segment while RMB is the reporting currency of the Group. Therefore despite a rise in the Group's European subsidiaries' turnover in Euro terms, the segment recorded in slight decline after translation into RMB. The segment accounted for 23.5% of the Group's total turnover (corresponding period in 2014: 20.5%).

Gross profit margin and profitability

The energy equipment segment's gross profit margin ("GP margin") fell slightly to 18.8% (corresponding period in 2014: 20.5%). The slight decline is mainly the result of a change in the product mix with LNG design and engineering projects increasing its turnover contribution during the period as well as lower ASP of certain LNG products. As for the chemical equipment segment, its GP margin saw a decline from 16.5% in the same period last year to 15.0% during the period. This is attributable to falling average selling price and higher cost of production during the period. The GP margin for liquid food equipment segment remained stable at 16.9% during the period (corresponding period in 2014: 17.0%).

While the liquid food equipment segment's GP margin remained stable, the decline of both energy and chemical equipment segments' GP margins caused the Group's overall GP margin to fall by 1.5 percentage points to 17.0% (corresponding period in 2014: 18.5%).

Profit from operations expressed as a percentage of turnover decreased by 2.0 percentage points to 8.9% (corresponding period in 2014: 10.9%) which is mainly attributable to a lower GP margin and both selling and administrative expenses declined at a slower rate than turnover during the period.

Review by business segments

Energy equipment

Operational performance

During the first half of 2015, the energy equipment segment's turnover was RMB1,669,285,000 (corresponding period in 2014: RMB2,335,341,000). The segment's operating profit for the period fell to RMB113,823,000 (corresponding period in 2014: RMB257,429,000) which was mainly caused by a lower GP margin resulting from a change in product mix and lower ASP of certain LNG products, and also selling and administrative expenses falling at a slower rate than the decline in turnover.

Research and development

The energy equipment segment conducted a wide range of successful R&D projects in the first half of 2015, such as 30,000 cubic metre LNG storage tank, LNG refilling station conforming to the United States standards, CNG high-pressure cylinder trailer, high-pressure cylinder for hydrogen storage and large-scale process compressor. Some of the newly developed products have been launched to the market and contributed to revenue of the Group.

Several R&D projects involving LNG equipment for marine application were carried out and will continue in the second half of the year, such as LNG onshore refueling station system and LNG tank for marine transportation. Moreover, the segment has been actively involved in the R&D of equipment used in different energy resources, such as fuel tank for nuclear energy and gas wellhead equipment. Amid a weak oil price environment, the R&D team has also devoted to developing various LPG equipment for international market.

Besides, the R&D team plays an important role for developing EPC (engineering, procurement and construction) services and contributed to the development of different types of LNG and CNG refueling stations as well as oil-to-gas substitution solution for vessel.

Future plans and strategies

The market demand for natural gas equipment has dropped significantly during the first half of 2015, due to persistent low oil price, coupled with the Chinese government's natural gas pricing reforms implemented in recent years. The segment has also experienced increasing competition from existing and new market entrants. Although China's natural gas industry will continue to face pressure in the near-term, the Group strongly believes that the prospect of the industry is broadly positive in the long run. The Group remains well positioned and believes that superior industry qualifications, good reputation, sound track record, thorough competitor analysis, differentiated products and services, strong sales and marketing team and advanced R&D capability, all of which the Group possesses, will become the decisive competitive advantages over rivals.

The Group's energy equipment segment remains committed to providing high quality and lightweight products to customers. With the Group's well-established brands in the energy equipment market, the segment is devoted to reinforce the market share of its core products in China. Apart from energy equipment manufacturing, the segment is devoted to creating additional value to customers and offering one-stop solutions to them.

The weak oil price environment provides opportunities for development of the segment's LPG equipment business. The segment will further advance the design of the Group's LPG trailers and tanks and capture the market opportunities. The segment will also conduct in-depth marketing studies and explore new growth potential, such as closely monitoring the provincial policies relating to coal-to-gas boiler conversion in China.

To diversify internationally, the segment targets to develop more business opportunities from overseas. Under the Chinese government's "one belt, one road" initiative, the energy equipment segment will continuously monitor market opportunities in South-east Asia and Russia, especially for CNG products and refueling station systems, LPG spherical tanks and other LPG equipment.

The price for the unconventional gas sources, which require delivery in the form of CNG or LNG, may have more competitiveness under the Chinese government's natural gas pricing reform. With the advanced capabilities in design and project engineering possessed by the Group, the energy equipment segment will step up its effort to explore more EPC business for unconventional gas sources, such as small and medium scale liquefaction systems, in both China and international markets.

Earlier in the year, the segment has planned to make use of the Group's land and infrastructure in Nantong in 2015 for the establishment of production base for on-board LNG fuel tanks, LNG refueling equipment for LNG vessels and related equipment. In view of the uncertainty of the natural gas market in the short term, the Group has been mindful for capital expenditure and decided to slow down the establishment of the above production base.

In addition, the energy equipment segment will continue to lead industry associations in the China market, for example, hosting or attending trade fairs and conferences, with an aim to lead industry development and drive initiatives to enhance the industry standards. It will also continue to participate in the establishment of national and/or industry standards for products.

Facing increased competition, the energy equipment segment endeavours to further reduce production costs and enhance production efficiency through implementation of manufacturing technology improvement programmes, continuous product development and product upgrades, as well as procurement management and control.

Meanwhile, by providing referral arrangement for finance lease and factoring services, the energy equipment segment will be able to solicit and retain customers especially under this competitive business environment and tight monetary conditions in China.

Chemical equipment

Operational performance

During the first half of 2015, the chemical equipment segment's turnover was RMB1,515,438,000 (corresponding period in 2014: RMB1,658,419,000). The segment's operating profit for the period decreased to RMB179,477,000 (corresponding period in 2014: RMB220,936,000) which was mainly due to a lower GP margin resulting from falling ASP and higher cost of production and also selling and administrative expenses falling at a slower rate than the decline in turnover.

Research and development

The chemical equipment segment has devoted to the R&D of different types of tank containers to meet customer needs. During the first half of 2015, the segment has been conducting various R&D projects, such as 39-ton 20-feet ISO tank container, swap body tank container with lightweight structure and 20-feet 32-cubic-metre large volume tank container for gondola railcar.

The segment's R&D efforts are intended to enable the launch of more types of special and high-end tank containers in China and the international markets.

Future plans and strategies

After many years of growth, the Group's chemical equipment segment has encountered cyclical fluctuations of the chemical market. The trend of cyclical fluctuations is expected to continue in the second half of the year. The segment remains committed to maintain its leading position in tank container manufacturing and will continue to seek cost advantage over competitors by optimising product design and production processes. For instance, the segment has increased the use of standardised components to maintain cost efficiency.

To keep ahead of competition, the chemical equipment segment also strives to build customer trust and confidence in its products by increasing communication and contacts with customers. The segment has held and will continue to hold conferences for the tank container industry which provide great opportunities for industry players to discuss issues and development trends of the industry, as well as exchange of ideas for product development.

The Group will continue to facilitate the transmission of know-how, technological expertise and market networks between its subsidiaries in China and Europe. Under a Sino-European product development programme, the segment successfully developed LNG tank containers with international standards and successfully exported the final products to the United States in 2014. Due to the recent decline in market demand for LNG, the sale performance of LNG tank containers was weak in the first half of 2015. With the Group's advanced product R&D capabilities, the segment will explore business opportunities for other types of special and high-ended tank containers as new drivers, such as cryogenic tank containers, tank containers for offshore oil and gas resources and tank containers for liquid food transportation.

Liquid food equipment

Operational performance

During the first half of 2015, the liquid food equipment segment's turnover was RMB978,326,000 (corresponding period in 2014: RMB1,026,593,000). The segment's operating profit for the period rose to RMB99,206,000 (corresponding period in 2014: RMB59,994,000) which was due to a stable GP margin and administrative expenses falling at a faster rate than turnover as a result of improved operational efficiency.

Research and development

In the first half of 2015, the liquid food equipment devoted to the R&D of complete turnkey brewery systems catered to customer specifications. The segment has also carried out R&D projects such as new type of wort boiling system, deaerated water manufacturing system, and biological and medical fermentation tank. With advanced brewing technology possessed by Ziemann and lower cost of production in China, the segment committed to develop brewery systems tailor-made for the China market.

In addition to building a motivated in-house R&D team, the segment has been accumulating R&D capabilities through collaboration with the industry community and the scientific community, for example, joining as members in several scientific committees in the industry, providing presentations on industry conferences and technical universities.

Future plans and strategies

During the first half of 2015, the liquid food equipment segment has achieved a good pace of development with stable order intake and sales. Following the integration of certain assets acquired from Ziemann Group in 2012, the segment has become a provider of comprehensive turnkey solutions to beer and other liquid food producers. Apart from the market of beer, juice and dairy products, the segment targets to expand its business to the market of high-end products such as medical and biochemical products.

In addition, the segment will continue to enhance the branding of "Ziemann Holvrieka". Under the objective of a unified corporate image, the segment will continue to implement marketing strategies to improve the market positioning as well as increase brand awareness and customer intimacy.

The Group will continue to transfer advanced manufacturing technologies and know-how from Europe to its Chinese operations. After the acquisition of Holvrieka (China) Co., Ltd. ("NCLS") in the second half of 2014, the liquid food equipment segment has been working on the integration of the Ziemann technology with NCLS, through development of training programmes and exchange programmes for project teams, engineers and technicians.

The Group recognises the importance of innovation and considers innovation as a growth driver. The liquid food equipment segment has developed process innovations and has participated in trade exhibitions to present the innovations to the market. In future, the segment targets to develop innovative products for mash filtration, milling system, energy projects, smart conveyor and fast fermentation.

Last but not least, the liquid food equipment segment will adopt measures to continuously improve its existing products to strive for competitive advantage over rivals. The segment will also consider the possibility of the insourcing and outsourcing by assessing the costs and benefits carefully.

Financial Review

Liquidity and financial resources

At 30 June 2015, the cash and cash equivalents of the Group amounted to RMB1,595,817,000 (31 December 2014: RMB1,683,210,000). A portion of the Group's bank deposits totalling RMB86,029,000 (31 December 2014: RMB111,886,000), which had more than three months of maturity at acquisition, were restricted for guarantee of banking facilities. The Group has maintained sufficient cash on hand for repayment of bank loans and loans from related parties as they fall due and has continued to take a prudent approach in future development and capital expenditure. Accordingly, the Group has been cautious in managing its financial resources and will constantly review and maintain an optimal gearing level.

At 30 June 2015, the Group's bank loans and overdrafts amounted to RMB154,571,000 (31 December 2014: RMB85,722,000), other than a HKD100,000,000 (equivalent to RMB78,861,000) two-year term loan and RMB15,223,000 two-year term loan for capital expenditure, the remaining is repayable within one year. Apart from the term loans denominated in HKD that bear interest at floating rates, the overall bank loans bear interest at rates from 2.33% to 6.00% per annum. At 30 June 2015, the Group did not have secured bank loan (31 December 2014: Nil). As of 30 June 2015, bank loans amounting to RMB40,223,000 (31 December 2014: RMB85,722,000) were guaranteed by the Company's subsidiaries. As at 30 June 2015, loans from related parties amounted to RMB210,000,000 (31 December 2014: RMB110,000,000), which are unsecured, interest bearing from 4.90% to 5.25% (31 December 2014: 4.90% to 5.25%) per annum and repayable within one year.

The net gearing ratio, which is calculated by dividing net debt over equity, was zero times (31 December 2014: zero times) as the Group retained a net cash balance of RMB1,317,275,000 (31 December 2014: RMB1,599,374,000). The decrease in net cash balance is mainly attributable to purchase consideration for acquisitions and dividend paid during the period. Apart from this, the management dedicates its effort to continuously improve cash management to minimise finance cost. The Group's interest coverage was 51.0 times for the period (corresponding period in 2014: 36.8 times) which demonstrates that the Group is fully capable of meeting its interest expense commitments.

During the period, net cash generated from operating activities amounted to RMB275,987,000; whilst RMB49,402,000 used in operating activities for the same period last year. The Group drew bank loans and loans from related parties totalling RMB241,157,000 (corresponding period in 2014: RMB315,755,000) and repaid RMB72,127,000 (corresponding period in 2014: RMB283,319,000). A payment of final dividend in respect of the financial year ended 31 December 2014 were approximately RMB297,525,000. In addition, cash proceeds amounted to RMB9,352,000 arose from the issuance of ordinary shares on exercise of share options.

Assets and liabilities

At 30 June 2015, total assets of the Group amounted to RMB10,565,015,000 (31 December 2014: RMB10,627,725,000) while total liabilities were RMB4,462,357,000 (31 December 2014: RMB4,499,095,000). The net asset value reduced by 0.4% to RMB6,102,658,000 (31 December 2014: RMB6,128,630,000). It was mainly attributable to the dividend payment of RMB297,525,000 and exchange difference on translation of financial statements denominated in foreign currencies of RMB48,878,000, which fully offsetting net profit of RMB294,001,000 for the period. As a result, the net asset value per share decreased to RMB3.154 at 30 June 2015 from RMB3.173 at 31 December 2014.

Contingent liabilities

At 30 June 2015, the Group did not have any significant contingent liabilities.

Future plans for source of funding and capital commitments

Currently, the Group's operating and capital expenditures are mainly financed by its internal resources such as operating cash flow and shareholders' equity, and to an extent by bank loans. At the same time, the Group will continuously take particular caution on the inventory level, credit policy as well as receivable management in order to enhance its future operating cash flow. The Group has sufficient resources of funding and unutilised banking facilities to meet future capital expenditure and working capital requirement.

At 30 June 2015, the Group had contracted but not provided for capital commitments of RMB258,024,000 (31 December 2014: RMB123,875,000). As of 30 June 2015, the Group did not have authorised but not contracted for capital commitments (31 December 2014: Nil).

Foreign exchange exposure

The Group is exposed to foreign currency risk primarily through trade transactions that are denominated in currencies other than its functional currency. The currencies giving rise to this risk to the Group are primarily US dollars and Euro. The Group continuously monitors its foreign exchange exposure and controls such exposure by conducting its business activities and raising funds primarily in the denominations of its principal operating assets and revenue. Moreover, if necessary, the Group enters into foreign exchange forward contracts with reputable financial institutions to hedge foreign exchange risk.

Capital expenditure

In the first half of 2015, the Group invested RMB207,533,000 in capital expenditure for expansion of production capacity, general maintenance of production capacity and new business ventures. The energy equipment segment, chemical equipment segment and liquid food equipment segment invested RMB141,790,000, RMB56,280,000 and RMB9,463,000 respectively in capital expenditure during the period.

Employees and remuneration policies

At 30 June 2015, the total number of employees of the Group was approximately 9,800 (corresponding period in 2014: approximately 9,700). Total staff costs (including Directors' emoluments, retirement benefits schemes contributions and share option expenses) were approximately RMB564,596,000 (corresponding period in 2014: RMB594,339,000).

There have been no material changes in respect of employee incentive and bonus policies, share option scheme and training scheme as disclosed in Annual Report 2014.

Prospects

The pace of global economic recovery remains sluggish in the first half of 2015. According to the projection of the International Monetary Fund (IMF), the global growth was projected at 3.3% in 2015 with a gradual pickup in advanced economies and a slowdown in emerging markets and developing economies. For China, the country's GDP growth was approximately 7.0% in the first half of 2015. The Chinese government and IMF projected China's GDP growth for 2015 to be 6.9% and 6.8% respectively, indicating China's slowdown in economic growth.

In the first six months of 2015, China's natural gas consumption grew at 2.1% year-on-year to approximately 90.6 billion cubic metres ("bcm"), indicating that the demand remained largely flat in the first half of 2015. China recorded a 3.9% drop in LNG import to approximately 9.51 million tons during the period.

Influenced by the significant decline in international oil price and the Chinese government's natural gas pricing reforms implemented in recent years, the price advantage of natural gas as an alternative fuel over oil has weakened gradually, and the gap between natural gas price and oil price has narrowed significantly, and to a certain extent, undermined the motivation for oil-to-gas projects in China as well as the attractiveness of natural gas as a vehicle fuel. Therefore, the market demand for natural gas equipment dropped significantly during the first half of 2015. Moreover, the natural gas equipment industry in China has grown rapidly in recent years, market competition becoming more intense and average selling prices of some products decreased significantly. Even though the Chinese government implemented a natural gas price cut from April 2015, the natural gas's price competiveness has remained weak due to cheaper oil. The market generally expects the Chinese government to cut natural gas price in the second half of 2015 to maintain the natural gas price competiveness in China. Given the absolute environmental benefits of natural gas over other fossil fuels and together with the supportive policies for natural gas consumption by the Chinese government, the Group is confident on the long-term prospects of the natural gas industry in China.

As the natural gas equipment market is still pending a confirmative recovery, the Group's energy equipment segment will implement various measures to achieve lower cost of production, increased customisation and innovation as well as superior customer service, and will carefully manage and control its capital expenditure and accounts receivable. Apart from carrying out marketing strategies in the China market, the energy equipment segment will look for more growth opportunities in overseas markets. Under an industry downturn environment, the energy equipment segment will consider acquisition opportunities if they are a good strategic fit and available at a right price, to lay down a solid foundation for long-term development.

The slowdown in global economic growth continues to impact on the chemical industry in 2015. Except the United States, the chemical output from major economies was lacking strength to grow in the first six months of 2015. In recent years, the Group's chemical equipment segment has recorded modest growth on the back of previous years' economic recovery. In 2014, as the average selling price of tank containers was decreasing, customers purchased more tank containers for inventory reserves. In the first half of 2015, the Group's standard tank containers business has experienced cyclical fluctuations of the chemical market and the trend is expected to continue in the second half of the year.

The Group's chemical equipment segment remains committed to maintaining its leading position in tank container manufacturing business by controlling production costs, improving quality and enhancing operational efficiency. To pursue a healthy and sustainable growth in revenue, the chemical equipment segment will step up its effort to develop special and high-end tank containers.

In the first half of 2015, the Group's liquid food equipment segment has achieved moderate business growth. However, the Euro has fallen sharply against the RMB recently, and consequently a part of the segment's growth in turnover has been eroded by the devaluation of Euro, when the segment's turnover was converted from Euro to RMB.

Through the dedicated efforts to integrate business and operational structures with assets acquired from Ziemann Group in 2012, the business portfolio of the Group's liquid food equipment segment has broadened beyond providing processing equipment for beer and other liquid food manufacturers to offering comprehensive turnkey solutions to its customers. Apart from developing the Europe market, the segment will also explore more business opportunities and revenue sources in America and the emerging markets. Besides, through the acquisition of NCLS in the second half of 2014, the liquid food equipment segment has expanded its presence in the China market. With an aim to create synergies and achieve greater cost efficiency, the segment will endeavour to business integration following the acquisition of NCLS and will continue to introduce advanced manufacturing technologies and process automation from Europe to China.

The Group is delighted that CIMC Enric was awarded the 4th place among the "2014 Top 50 Energy Enterprises with the Most Promising Growth Potential" by "Energy" magazine and the Energy Business School in China. Several subsidiaries of the Group have also received awards and certifications for financial performance, product innovation and prestige branding during the first half of 2015. These achievements have fully demonstrated the Group's continuous commitment to strive for industry excellence, which not only served as a proof of public recognition, but also a great encouragement to motivate the Group to attain even better performance. The Group will strive to become a world-leading manufacturer of specialised equipment and provider of project engineering services in energy, chemical and liquid food industries.

Thanks to the shareholders, customers, suppliers and business partners for their confidence and support and thanks to the management and employees for their dedication and contribution. The Group firmly believes that the combination of the Group's key strategies and diversified business model will create sustainable and long-term value to shareholders.

Supplementary Information

Directors' Interests in Shares

As at 30 June 2015, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under section 352 of the SFO; or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

Long position in the shares of the Company

Name of Director	Capacity	Interests in underlying shares pursuant to share options	% of issued share capital *(Note)*
Gao Xiang	Beneficial owner	1,900,000	0.10%
Liu Chunfeng	Beneficial owner	800,000	0.04%
Jin Jianlong	Beneficial owner	1,400,000	0.07%
Yu Yuqun	Beneficial owner	1,298,000	0.07%
Jin Yongsheng	Beneficial owner	1,100,000	0.06%
Wong Chun Ho	Beneficial owner	1,100,000	0.06%
Tsui Kei Pang	Beneficial owner	600,000	0.03%
Zhang Xueqian	Beneficial owner	600,000	0.03%

Note: The percentage is calculated based on the total number of ordinary shares of the Company in issue as at 30 June 2015, which was 1,934,841,088.

Long positions in underlying shares of equity derivatives of the Company

Options were granted by the Company on 11 November 2009, 28 October 2011 and 5 June 2014 under a share option scheme approved by the shareholders on 12 July 2006 (the "Share Option Scheme" or the "Scheme"). Details of which were set out under the section headed "Share Options" on pages 49 to 50.

Long positions in the shares/underlying shares of associated corporations

Associated corporation	Name of Director	Capacity	Number of shares/ underlying shares held	Shareholding %
CIMC Vehicle (Group) Co., Ltd. ("CIMC Vehicle Group")	Gao Xiang	Beneficiary of a trust *(Note 1)*	1,350,000	0.61% *(Note 2)*
	Liu Chunfeng	Beneficiary of a trust *(Note 1)*	1,000,000	0.45% *(Note 2)*
	Jin Jianlong	Beneficiary of a trust *(Note 1)*	2,350,000	1.06% *(Note 2)*
	Yu Yuqun	Beneficiary of a trust *(Note 1)*	2,350,000	1.06% *(Note 2)*
China International Marine Containers (Group) Co., Ltd. ("CIMC") (A Shares)	Gao Xiang	Beneficial owner *(Note 3)*	375,000	0.03% *(Note 4)*
	Liu Chunfeng	Beneficial owner *(Note 3)*	225,500	0.02% *(Note 4)*
	Jin Jianlong	Beneficial owner *(Note 3)*	850,000	0.07% *(Note 4)*
	Yu Yuqun	Beneficial owner *(Note 3)*	750,000	0.06% *(Note 4)*
CIMC (H Shares)	Liu Chunfeng	Beneficial owner	10,200	0.01% *(Note 5)*

Notes:

1. Pursuant to a stock credit plan (the "Stock Credit Plan") adopted by CIMC Vehicle Group, China Resources SZITIC Trust Co., Ltd. has been appointed as trustee to acquire and to hold on trust, for the benefit of certain employees of CIMC Vehicle Group, a 20% equity interest in CIMC Vehicle Group. Under the Stock Credit Plan, there are a total of 220,700,000 units, of which 217,570,000 units were allocated as at 30 June 2015. Mr. Gao, Mr. Liu, Mr. Jin and Mr. Yu, all being Executive Directors, are participants in the Stock Credit Plan. CIMC Vehicle Group is controlled by CIMC as to 80%.

2. The percentage is calculated based on the total number of allocated stock credit units under the Stock Credit Plan as at 30 June 2015, which was 220,700,000.

3. Mr. Gao, Mr. Liu, Mr. Jin and Mr. Yu were granted stock options (A Shares) by CIMC, an associated corporation of the Company listed on the Shenzhen Stock Exchange and the Main Board of the Hong Kong Stock Exchange on 28 September 2010, pursuant to a stock option incentive scheme adopted by CIMC. The stock options granted to any grantee are exercisable at an exercise price of RMB11.08 per share, and 25% of which are exercisable between 28 September 2012 and 26 September 2014; another 75% of which are exercisable between 28 September 2014 and 27 September 2020.

4. The percentage is calculated based on the total number of share capital of CIMC (A Shares) in issue as at 30 June 2015, which was 1,256,604,507.

5. The percentage is calculated based on the total number of share capital of CIMC (H Shares) in issue as at 30 June 2015, which was 1,430,480,509.

Save as disclosed above, as at 30 June 2015, no other interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations were recorded in the register required to be kept under section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Save as disclosed above, no person had any rights to subscribe for equity or debt securities of the Company as at 30 June 2015, nor have any such rights been granted or exercised during the interim period.

Substantial Shareholders' Interests in Shares

As at 30 June 2015, the interests and short positions of every substantial shareholder, other than the Directors and the chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO were as follows:

Substantial shareholder	**Capacity**	**Number of shares held**	**% of issued share capital** *(Note 1)*
CIMC	Interest of controlled corporation	1,362,076,211 *(Note 2)*	70.40%
China International Marine Containers (Hong Kong) Limited ("CIMC HK")	Interest of controlled corporation	190,703,000 *(Note 3)*	9.86%
	Interest of controlled corporation	39,740,566 *(Note 4)*	2.05%
	Beneficial owner	1,131,632,645	58.49%
Charm Wise Limited ("Charm Wise")	Beneficial owner	190,703,000 *(Note 3)*	9.86%

Notes:

1. The percentages are calculated based on the total number of ordinary shares of the Company in issue as at 30 June 2015, which was 1,934,841,088.

2. These ordinary shares comprise 190,703,000 ordinary shares held by Charm Wise, 1,131,632,645 ordinary shares held by CIMC HK and 39,740,566 ordinary shares held by CIMC Tank Equipment Investment Holdings Company Limited ("CIMC Tank Equipment"). Charm Wise, CIMC HK and CIMC Tank Equipment are wholly-owned subsidiaries of CIMC.

3. The two references to 190,703,000 ordinary shares refer to the same block of shares held by Charm Wise, which is a wholly-owned subsidiary of CIMC HK.

4. These ordinary shares are held by CIMC Tank Equipment, a wholly-owned subsidiary of CIMC HK.

Save as disclosed above, as at 30 June 2015, (i) the register required to be kept under section 336 of the SFO recorded no other interests or short positions in the shares or underlying shares of the Company and (ii) the Directors are not aware of any other persons or corporations who were interested in 5% or more of the voting power at general meetings of the Company and were also, as a practicable matter, able to direct or influence the management of the Company.

Share Options

The Company has adopted the Share Option Scheme pursuant to an ordinary resolution passed at an extraordinary general meeting of the Company on 12 July 2006. Its purpose is to provide incentives and rewards to employees and Directors and eligible persons for their contributions to the Group. Details of the terms thereof are set out in the Annual Report 2014.

As at 30 June 2015, share options were granted and accepted by the respective participants under the Scheme to subscribe for a total of 120,370,000 ordinary shares of HK$0.01 each in the capital of the Company. During the six months ended 30 June 2015, movements of the options under the Scheme were as follows:

			Number of share options					
Grantee	Date of grant	Exercisable period	outstanding at 1 January 2015	granted during the period	exercised during the period	lapsed during the period	transferred to/from other category	outstanding at 30 June 2015
Directors								
Zhao Qingsheng	11/11/2009	11/11/2010–10/11/2019	1,000,000	–	–	–	(1,000,000)	–
(resigned on	28/10/2011	28/10/2013–27/10/2021	135,000	–	–	–	(135,000)	–
1 April 2015)	05/06/2014	05/06/2014–04/06/2024	500,000	–	–	–	(500,000)	–
Gao Xiang	11/11/2009	11/11/2010–10/11/2019	1,000,000	–	–	–	–	1,000,000
	28/10/2011	28/10/2013–27/10/2021	500,000	–	–	–	–	500,000
	05/06/2014	05/06/2014–04/06/2024	400,000	–	–	–	–	400,000
Liu Chunfeng	11/11/2009	11/11/2010–10/11/2019	-	–	–	–	–	-
(appointed on	28/10/2011	28/10/2013–27/10/2021	-	–	–	–	400,000	400,000
1 April 2015)	05/06/2014	05/06/2014–04/06/2024	-	–	–	–	400,000	400,000
Jin Jianlong	11/11/2009	11/11/2010–10/11/2019	800,000	–	–	–	–	800,000
	28/10/2011	28/10/2013–27/10/2021	300,000	–	–	–	–	300,000
	05/06/2014	05/06/2014–04/06/2024	300,000	–	–	–	–	300,000
Yu Yuqun	11/11/2009	11/11/2010–10/11/2019	698,000	–	–	–	–	698,000
	28/10/2011	28/10/2013–27/10/2021	300,000	–	–	–	–	300,000
	05/06/2014	05/06/2014–04/06/2024	300,000	–	–	–	–	300,000
Jin Yongsheng	11/11/2009	11/11/2010–10/11/2019	500,000	–	–	–	–	500,000
	28/10/2011	28/10/2013–27/10/2021	300,000	–	–	–	–	300,000
	05/06/2014	05/06/2014–04/06/2024	300,000	–	–	–	–	300,000
Wong Chun Ho	11/11/2009	11/11/2010–10/11/2019	500,000	–	–	–	–	500,000
	28/10/2011	28/10/2013–27/10/2021	300,000	–	–	–	–	300,000
	05/06/2014	05/06/2014–04/06/2024	300,000	–	–	–	–	300,000
Tsui Kei Pang	28/10/2011	28/10/2013–27/10/2021	300,000	–	–	–	–	300,000
	05/06/2014	05/06/2014–04/06/2024	300,000	–	–	–	–	300,000
Zhang Xueqian	28/10/2011	28/10/2013–27/10/2021	300,000	–	–	–	–	300,000
	05/06/2014	05/06/2014–04/06/2024	300,000	–	–	–	–	300,000
			9,633,000	–	–		(835,000)	8,798,000
Employees	11/11/2009	11/11/2010–10/11/2019	9,522,000	–	(936,000)	–	–	8,586,000
	28/10/2011	28/10/2013–27/10/2021	24,726,000	–	(822,000)	(30,000)	(400,000)	23,474,000
	05/06/2014	05/06/2014–04/06/2024	31,870,000	–	–	–	(400,000)	31,470,000
Other participants	11/11/2009	11/11/2010–10/11/2019	8,770,000	–	(1,370,000)	–	1,000,000	8,400,000
	28/10/2011	28/10/2013–27/10/2021	2,492,000	–	(230,000)	–	135,000	2,397,000
	05/06/2014	05/06/2014–04/06/2024	3,850,000	–	–	–	500,000	4,350,000
Total			90,863,000	–	(3,358,000)	(30,000)	–	87,475,000

Notes:

1. Regarding the share options granted on 11 November 2009:

   Subject to certain conditions as stated in the offer letter to the respective grantee, 50% of the options granted to any grantee become exercisable from 11 November 2010 and up to 10 November 2019; and the remaining 50% of which become exercisable from 11 November 2011 and up to 10 November 2019. The exercise price of all the options granted is HKD4.00 per share.

2. Regarding the share options granted on 28 October 2011:

   Subject to certain conditions as stated in the offer letter to the respective grantee, 40% of the options granted to any grantee become exercisable from 28 October 2013 and up to 27 October 2021; 30% of which become exercisable from 28 October 2014 and up to 27 October 2021; and the remaining 30% of which become exercisable from 28 October 2015 and up to 27 October 2021. The exercise price of all the options granted is HKD2.48 per share.

3. Regarding the share options granted on 5 June 2014:

   Subject to certain conditions as stated in the offer letter to the respective grantee, 40% of the options granted to any grantee become exercisable from 5 June 2016 and up to 4 June 2024; 30% of which become exercisable from 5 June 2017 and up to 4 June 2024; and the remaining 30% of which become exercisable from 5 June 2018 and up to 4 June 2024. The exercise price of all the options granted is HKD11.24 per share. The valuation of fair value of the options granted was measured based on a binomial option pricing model. The fair value per share on the date of grant was approximately HKD4.70.

4. The weighted average closing price of the shares immediately before the dates on which the options were exercised during the six months ended 30 June 2015 was approximately HKD8.25 per share.

As at the date of this report, a total of 16,225,220 number of options, representing 0.84% of the issued ordinary share capital of the Company are available for grant under the Scheme.

As at the date of this report, a total of 103,690,220 shares, representing 5.36% of the issued ordinary share capital of the Company, are available for issue under the Scheme.

Save as disclosed above, no options were granted, exercised, lapsed or cancelled during the six months ended 30 June 2015.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as the Company's code of conduct regarding Directors' transactions of the securities of the Company. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standard set out in the Model Code in their securities transactions throughout the six months ended 30 June 2015 and during their respective term of office (as appropriate).

Corporate Governance

The Company complied with all the code provisions of the Corporate Governance Code contained in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2015.

The latest corporate governance report of the Company is set out in the Annual Report 2014.

Audit Committee and Other Board Committees

The Audit Committee comprises three Independent Non-executive Directors. The primary duties of the committee are, amongst other things, to review and supervise over the financial reporting procedures and internal control system of the Group. The Audit Committee has reviewed and discussed with management the unaudited interim financial report of the Group for the six months ended 30 June 2015.

In addition, the Board has established a Remuneration Committee and a Nomination Committee. Each of the committees has a majority of Independent Non-executive Directors.

Full terms of reference of the above-mentioned committees are available on request or on the websites of Hong Kong Exchanges and Clearing Limited and the Company respectively.

Biographical Details of Directors

With effective from 1 April 2015, Mr. Zhao Qingsheng resigned as an executive Director and ceased to be the chairman of the Board; Mr. Gao Xiang has become the chairman of the Board and ceased to be the general manager of the Company; and Mr. Liu Chunfeng has become the general manager of the Company and an executive Director and ceased to be a deputy general manager of the Company.

The biographical details of Mr. Gao Xiang and Mr. Liu Chunfeng can be referred to the relevant announcement of the Company dated 20 March 2015.

The biographical details of the other Directors can be referred to the Annual Report 2014.

Purchase, Sale or Redemption of Listed Securities

During the period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company.

Directors

As at the date of this report, the Board consists of Mr. Gao Xiang *(Chairman)*, Mr. Liu Chunfeng *(General Manager)*, Mr. Jin Jianlong and Mr. Yu Yuqun as Executive Directors; Mr. Jin Yongsheng as a Non-executive Director; and Mr. Wong Chun Ho, Mr. Tsui Kei Pang and Mr. Zhang Xueqian as Independent Non-executive Directors.

By order of the Board
Gao Xiang
Chairman

Hong Kong, 19 August 2015

CIMC Enric Holdings Limited
中集安瑞科控股有限公司

Unit 908, 9th Floor, Fairmont House, No. 8 Cotton Tree Drive, Central, Hong Kong
香港中環紅棉路8號東昌大廈9樓908室

Tel 電話：(852) 2528 9386 Fax 傳真：(852) 2865 9877
Email 電郵：ir@enric.com.hk Website 網址：www.enricgroup.com
IR Portal 投資者關係連結：www.irasia.com/listco/hk/enric

Headquarters in the PRC 中國總部
CIMC R&D Center, No. 2 Gangwan Avenue, Shekou Industrial Zone
Shenzhen, Guangdong, The PRC
中國廣東省深圳蛇口工業區港灣大道2號中集集團研發中心