



China International Marine Containers (Group) Co., Ltd.
(a joint stock company incorporated in the People's Republic of China with limited liability)

A Share Stock Code: 000039

H Share Stock Code: 2039

Interim Report 2019



Important Notice

The Board, the Supervisory Committee and the Directors, the Supervisors and senior management of the Company warrant that there are no false records, misleading statements or material omissions in the 2019 interim report (hereinafter referred to as the “**Report**” or the “**2019 Interim Report**”), and jointly and severally take full legal responsibility for the truthfulness, accuracy and completeness of the information contained in this Report.

The Report has been reviewed and approved at the 5th meeting of the ninth session of the Board in 2019 (hereinafter referred to as the “**Meeting**”). All Directors have attended the Meeting to review and approve this Report by way of voting on site. All Directors warrant, and there is no dissenting opinion as to, the truthfulness, accuracy and completeness of 2019 Interim Report.

The financial statements of the Group have been prepared in accordance with China Accounting Standards for Business Enterprises (“**CASBE**”). The interim financial statements and notes of the Group for the six months ended 30 June 2019 (hereinafter referred to as the “**2019 Interim Financial Report**”) prepared in accordance with CASBE in this Report have not been audited.

Mr. Wang Hong, person-in-charge of the Company and chairman of the Board, Mr. Mai Boliang, CEO and president of the Company, and Mr. Zeng Han, the general manager of the financial management department, person-in-charge of accounting affairs and head of the accounting department (the financial controller), hereby warrant the truthfulness, accuracy and completeness of this Report and the 2019 Interim Financial Report.

During the Reporting Period, neither any controlling shareholder (including its subsidiaries) nor substantial shareholder (including its subsidiaries) of the Company has utilised the non-operating funds of the Company.

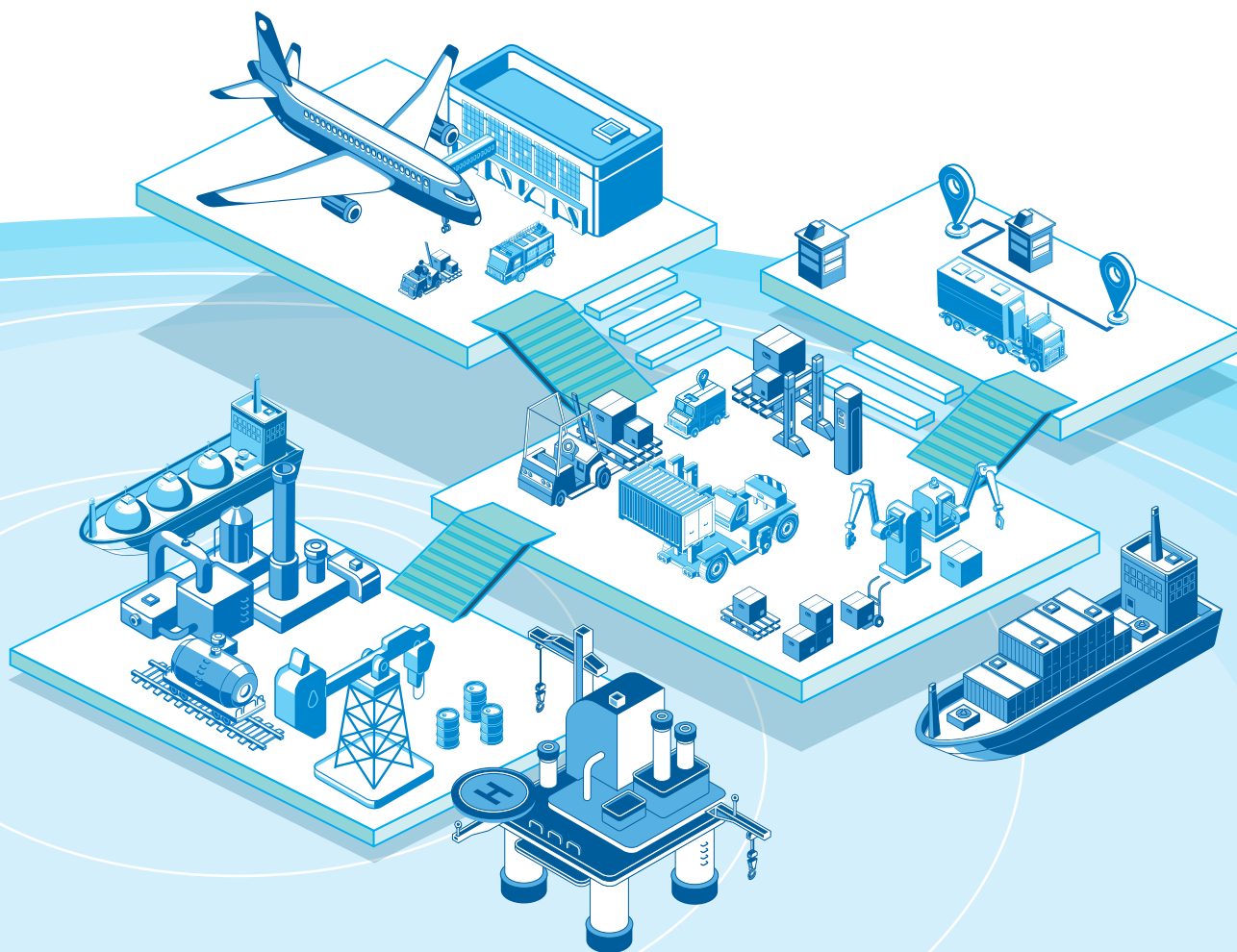
The Company proposed not to distribute any interim cash dividend, issue bonus shares or convert shares from reserves into share capital for the six months ended 30 June 2019 (six months ended 30 June 2018: Nil).

This Report contains forward-looking statements in relation to subjects such as future plans, which do not constitute any specific undertakings to investors by the Company. Investors should be aware of investment risks.

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

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Definitions

For the purpose of this Report, unless the context otherwise requires, the following terms shall have the meanings set out below:

Items	Definitions
"A Share(s)" (or "RMB-denominated Ordinary Share(s)")	domestic ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Shenzhen Stock Exchange and traded in Renminbi.
"A Share(s) Share Option Incentive Scheme"	share option incentive scheme of China International Marine Containers (Group) Co., Ltd. considered and approved at the extraordinary general meeting of the Company on 17 September 2010.
"Articles of Association"	the articles of association of China International Marine Containers (Group) Co., Ltd..
"Board"	the Board of the Company.
"C&C Trucks"	C&C Trucks Co., Ltd. (集瑞聯合重工有限公司), a company incorporated in the PRC with limited liability in 2009 and a non-wholly-owned subsidiary of the Company.
"CFSE" or "CIMC-TianDa"	China Fire Safety Enterprise Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 445). It was renamed as CIMC-TianDa Holdings Company Limited on 18 May 2018.
"China" or "PRC"	the People's Republic of China.
"China COSCO Shipping"	China COSCO Shipping Corporation Limited, a company incorporated in the PRC with limited liability in 2016 and the second largest indirect shareholder of the Company as at the date of this Report.
"China Merchants Group"	China Merchants Group Limited, a company incorporated in the PRC with limited liability in 1986 and the largest indirect shareholder of the Company as at the date of this Report.
"CIMC" or "Company"	China International Marine Containers (Group) Co., Ltd. (中國國際海運集裝箱(集團)股份有限公司), a joint stock company incorporated in the PRC with limited liability, the A shares of which are listed on the Shenzhen Stock Exchange and the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange.
"CIMC Enric"	CIMC Enric Holdings Limited (中集安瑞科控股有限公司), a company incorporated in the Cayman Islands with limited liability in 2004, the shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 3899) and a non-wholly-owned subsidiary of the Company.

Definitions

“CIMC Finance Company”	CIMC Finance Co., Ltd., a company incorporated in the PRC in 2010 and a non-wholly-owned subsidiary of the Company.
“CIMC Financial Leasing Company”	CIMC Financial Leasing Co., Ltd., a company incorporated in the PRC in 2007 and a wholly-owned subsidiary of the Company.
“CIMC Modular”	CIMC Modular Building Investment Company Limited (中集模塊化建築投資有限公司), a company incorporated in the PRC in 2013 and a wholly-owned subsidiary of the Company.
“CIMC Raffles”	CIMC Raffles Offshore (Singapore) Limited, a company incorporated in Singapore with limited liability in 1994 and a wholly-owned subsidiary of the Company.
“CIMC Skyspace Real Estate”	Shenzhen CIMC Skyspace Real Estate Development Co., Ltd., a company incorporated in the PRC with limited liability in 1998 and a non-wholly-owned subsidiary of the Company.
“CIMC Vehicles”	CIMC Vehicles (Group) Co., Ltd. (中集車輛(集團)有限公司), a company incorporated in the PRC in 1996 and a non-wholly-owned subsidiary of the Company, and was renamed as CIMC Vehicles (Group) Co., Ltd. (中集車輛(集團)股份有限公司) in October 2018, the shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 1839) in July 2019 and a non-wholly-owned subsidiary of the Company.
“Corporate Governance Code”	the Corporate Governance Code contained in Appendix 14 of the Hong Kong Listing Rules.
“CSRC”	China Securities Regulatory Commission.
“Director(s)”	the director(s) of the Company.
“Group”, “we”, “our” and “us”	the Company and its subsidiaries.
“H Share(s)” (or “Overseas-listed Foreign Share(s)”)	overseas-listed foreign ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars.
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC.
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange.
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited.
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Hong Kong Listing Rules.
“Reporting Period”	the six months from 1 January 2019 to 30 June 2019.

Definitions

“Rules of Procedures for the General Meeting”	the Rules of Procedures for the General Meeting of China International Marine Containers (Group) Co., Ltd.
“Rules of Procedure for the Supervisory Committee”	The Rules of Procedure for the Supervisory Committee of China International Marine Containers (Group) Co., Ltd.
“Rules of Procedures of the Board”	the Rules of Procedures for the Board of China International Marine Containers (Group) Co., Ltd.
“Shareholder(s)”	the holder(s) of A share(s) and H share(s) of the Company.
“Shenzhen Stock Exchange”	the Shenzhen Stock Exchange.
“Southern CIMC”	Shenzhen Southern CIMC Containers Manufacture Co., Ltd., a company incorporated in the PRC in 1995 and a wholly-owned subsidiary of the Company.
“Supervisor(s)”	the supervisor(s) of the Company.
“Supervisory Committee”	the supervisory committee of the Company.
“TSC Group” or “CMIC Ocean”	TSC Group Holdings Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 206), and has been renamed as 華商國際海洋能源科技控股有限公司 (English name changed from “TSC Group Holdings Limited” to “CMIC Ocean En-Tech Holding Co., Ltd.”) in February 2019.

Glossary

This glossary contains certain definitions of technical terms used in this Report in connection with the Group. Some of these definitions may not correspond to standard industry definitions or usage.

Items	Definitions
EPC	Engineering, Procurement and Construction.
ERP	Enterprise Resource Planning.
FPSO	Floating Production Storage and Offloading Unit.
GSE	Ground Support Equipment, refers to airport equipment used to ensure flight safety. To meet the requirements for aircraft maintenance and flights, airports are equipped with a variety of modern ground support equipment, including mechanical, electric, hydraulic and special gas equipment.
HSE	Health Safety Environment.
Jack-up Drilling Platform	A jack-up drilling platform is a mobile oil rig commonly used for shallow water operation. Most jack-up rigs operate in water depths ranging from 250 to 400 feet. This type of oil drilling equipment is a platform floating on water, which is generally equipped with machinery, power supply, equipment and accommodation facilities as well as certain liftable spud legs.
LNG	Liquefied Natural Gas.
Modular Building	the building manufactured in a factory environment and transported to a prepared project site to be installed.
ONE Model	Optimisation Never Ending, the lean management system of the Group.
OPEC	Abbreviation for the Organisation of the Petroleum Exporting Countries.
QHSE	A management system that guides and controls an organisation in respect of Quality, Health, Safety and Environmental aspects.
Semi-submersible Drilling Platform	A semi-submersible drilling platform is a mobile oil rig platform; the upper part of the hull structure is the working deck and the lower part comprises two lower hulls, with the parts connected by support columns. When in operation, the lower hulls are submerged into the water. A semi-submersible platform is generally used in deep seas with water depths ranging from 600-3,600 metres. The platform typically uses a dynamic positioning system for positioning.
TEU	Twenty-foot equivalent unit, also known as a standard unit (a container with a length of 20 feet, a height of 8 feet and 6 inches and a width of 8 feet), being used to measure the volume of a container.

Chapter I Corporate Profile

I. COMPANY PROFILE

Legal Chinese Name:	中國國際海運集裝箱(集團)股份有限公司
Abbreviated Chinese Name:	中集集團
English Name:	China International Marine Containers (Group) Co., Ltd.
Abbreviated English Name:	CIMC
Legal Representative:	Wang Hong
Authorised Representatives:	Mai Boliang, Yu Yuqun
Registered Address and Address of Head Office:	8th Floor, CIMC R&D Centre, 2 Gangwan Avenue, Shekou, Nanshan District, Shenzhen, Guangdong, PRC
Postal Code:	518067
Principal Place of Business in Hong Kong:	3101-2 Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong
Company Website:	http://www.cimc.com
Email Address:	shareholder@cimc.com
Uniform Social Credit Code:	91440300618869509J

II. CONTACT PERSONS AND MEANS OF COMMUNICATION

Secretary to the Board, Company Secretary:	Yu Yuqun
Contact Address:	CIMC R&D Centre, 2 Gangwan Avenue, Shekou, Nanshan District, Shenzhen, Guangdong, PRC (Postal code: 518067)
Contact Telephone:	(86) 755 – 2669 1130
Facsimile:	(86) 755 – 2682 6579
Email Address:	shareholder@cimc.com
Representative of Securities Affairs:	Wang Xinjiu
Contact Address:	CIMC R&D Centre, 2 Gangwan Avenue, Shekou, Nanshan District, Shenzhen, Guangdong, PRC (Postal code: 518067)
Contact Telephone:	(86) 755 – 2680 2706
Facsimile:	(86) 755 – 2682 6579
Email Address:	shareholder@cimc.com

Chapter I Corporate Profile

III. INFORMATION DISCLOSURE AND LOCATIONS FOR DOCUMENTS FOR INSPECTION

Designated Newspapers for Information Disclosure:	A Shares: China Securities Journal, Securities Times and Shanghai Securities News
Authorised Websites on which this Report is Made Available:	A Shares: http://www.cninfo.com.cn H Shares: http://www.hkexnews.hk
Company Website:	www.cimc.com
Places at which this Report is Available:	Office of the Secretary to the Board of the Company, CIMC R&D Centre, 2 Gangwan Avenue, Shekou, Nanshan District, Shenzhen, Guangdong, PRC (Postal code: 518067)

IV. STOCK INFORMATION OF THE COMPANY

Stock Exchange on which A Shares are Listed:	Shenzhen Stock Exchange
Abbreviated Stock Name for A Shares:	CIMC
Stock Code:	000039
Stock Exchange on which H Shares are Listed:	Hong Kong Stock Exchange
Abbreviated Stock Name for H Shares:	CIMC, ZJHD (Note)
Stock Code:	2039, 299901 (Note)

Note: Both the abbreviated stock name and the stock code are only used by the original B Shareholders of the Company in the PRC in respect of their trading of H Shares of the Company after H Shares of the Company were listed on the Hong Kong Stock Exchange.

Whether the registered address, office address, postal code, website and email address of the Company were changed during the Reporting Period

Applicable Not applicable

Whether the information disclosure and locations for documents for inspection were changed during the Reporting Period

Applicable Not applicable

Whether the registration was changed during the Reporting Period

Applicable Not applicable

Whether other relevant information was changed during the Reporting Period

Applicable Not applicable

Chapter II Summary of Accounting Data and Financial Indicators

I. KEY ACCOUNTING DATA AND FINANCIAL INDICATORS

Retrospective adjustment to or restatement of the accounting data for prior years by the Company

Yes No

Unit: RMB thousand

Consolidated income statement items	January – June 2019 (unaudited)	January – June 2018 (unaudited)	Changes from the
			same period of the previous year to the Reporting Period (%)
Revenue	42,717,729	43,560,398	(1.93%)
Operating profit	1,518,517	1,828,383	(16.95%)
Total profit	1,640,156	1,829,811	(10.36%)
Income tax expense	537,936	513,854	4.69%
Net profit	1,102,220	1,315,957	(16.24%)
Net profit attributable to Shareholders and other equity holders of the parent company	679,829	965,397	(29.58%)
Minority profit or loss	422,391	350,560	20.49%
Net profit attributable to Shareholders and other equity holders of the parent company after deducting non-recurring profit or loss	450,197	720,016	(37.47%)

Unit: RMB thousand

Consolidated balance sheet items	30 June 2019 (unaudited)	31 December 2018 (audited)	Changes from
			the end of previous year to the end of the Reporting Period (%)
Total current assets	81,982,919	81,902,959	0.10%
Total non-current assets	81,580,351	76,981,004	5.97%
Total assets	163,563,270	158,883,963	2.95%
Total current liabilities	73,932,509	73,536,161	0.54%
Total non-current liabilities	35,944,975	32,944,814	9.11%
Total liabilities	109,877,484	106,480,975	3.19%
Total shareholders' equity	53,685,786	52,402,988	2.45%
Equity attributable to Shareholders and other equity holders of the parent company	37,988,057	37,324,999	1.78%
Minority interests	15,697,729	15,077,989	4.11%

Chapter II Summary of Accounting Data and Financial Indicators

Unit: RMB thousand

Consolidated cash flow statement items	January –	January –	Changes from the
	June 2019	June 2018	same period of
	(unaudited)	(unaudited)	the previous
			year to the
			Reporting Period
			(%)
Net cash flows from operating activities	(2,102,412)	(856,239)	(145.54%)
Net cash flows from investing activities	(3,125,255)	(2,277,508)	(37.22%)
Net cash flows from financing activities	427,099	2,745,243	(84.44%)

Key Financial Indicators

	January –	January –	Changes from the
	June 2019	June 2018	same period of
	(unaudited)	(unaudited)	the previous
			year to the
			Reporting Period
			(%)
Basic earnings per share (RMB)	0.1618	0.2551	(36.57%)
Diluted earnings per share (RMB)	0.1604	0.2532	(36.65%)
Weighted average return on net assets (%)	1.70%	2.95%	(1.25%)
Weighted average return on net assets after deducting non-recurring profit or loss (%)	1.02%	2.16%	(1.14%)
Net cash flows from operating activities per share (RMB)	(0.59)	(0.29)	(103.45%)

	30 June	31 December	Changes from
	2019	2018	the end of
	(unaudited)	(audited)	previous year to
			the end of the
			Reporting Period
			(%)
Net assets per share attributable to Shareholders and other equity holders of the parent company (RMB)	10.60	12.50	(15.20%)

Chapter II Summary of Accounting Data and Financial Indicators

II. DIFFERENCES IN ACCOUNTING DATA UNDER DOMESTIC AND FOREIGN ACCOUNTING STANDARDS

1. Differences in net profits and net assets prepared under International Accounting Standards and CASBE

Applicable Not applicable

There was no difference in net profits and net assets prepared under International Accounting Standards and CASBE during the Reporting Period.

2. Differences in net profits and net assets prepared under foreign accounting standards and CASBE

Applicable Not applicable

There was no difference in net profits and net assets prepared under foreign accounting standards and CASBE during the Reporting Period.

3. Reason for differences in accounting data under domestic and foreign accounting Standards

Applicable Not applicable

Chapter II Summary of Accounting Data and Financial Indicators

III. NON-RECURRING PROFIT OR LOSS ITEMS AND AMOUNT

Applicable Not applicable

Unit: RMB thousand

Items	January – June 2019 (unaudited)
Gains on disposal of non-current assets	49,510
Government grants recognised in profit or loss for the current period	428,719
Gains or losses from changes in fair value arising from holding held-for-trading financial assets, and investment gains arising from disposal of other debt investments and other non-current financial assets, and investment gains arising from holding investments in other equity instruments and gains or losses from changes in fair values of investment properties subsequently measured at fair value, except for the effective hedging activities relating to the Group's ordinary activities	(157,566)
Net gains from disposal of long-term equity investments	18,527
Other non-operating income and expenses other than the above items	126,947
Effect of income tax	(73,165)
Effect of minority interests (after tax)	(163,340)
Total	229,632

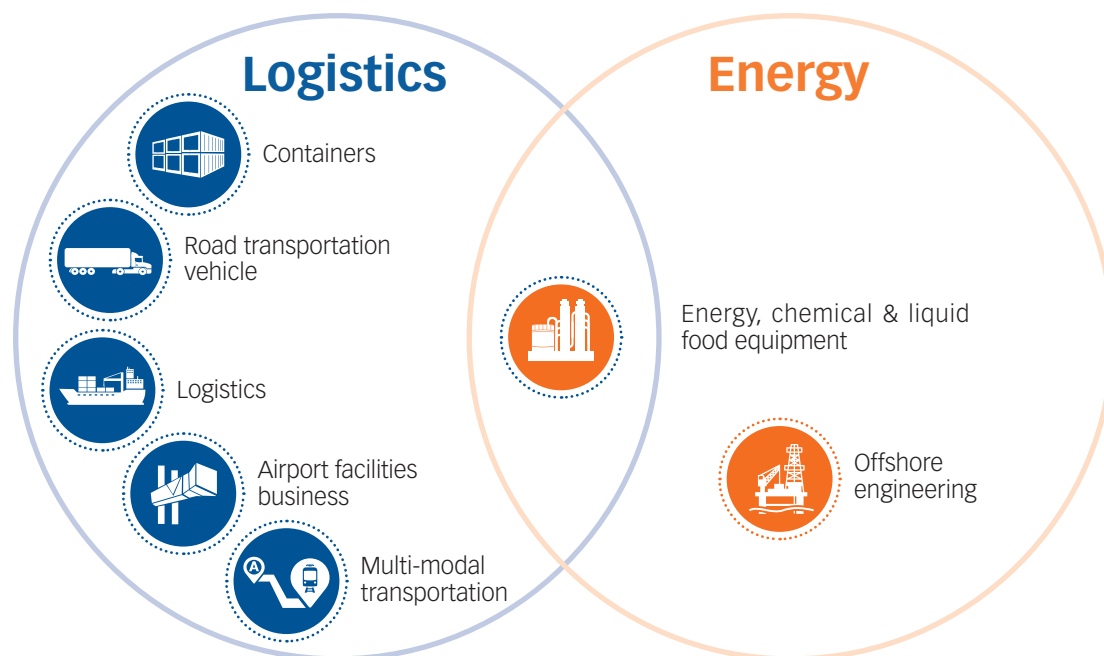
Note: Aforesaid non-recurring profit or loss items (other than the effect of minority interests (after tax)) was presented at amount before taxation.

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

Applicable Not applicable

The Company did not define the non-recurring profit or loss items as defined and listed under the Explanatory Announcement No. 1 as recurring profit or loss items during the Reporting Period.

Chapter III Report of the Board



I. BUSINESS SUMMARY

The Group is a world leading equipment and solution provider in the logistics and energy industries and is principally engaged in the manufacture of containers, road transportation vehicles, energy, chemical and liquid food equipment, offshore engineering equipment and airport facilities equipment, as well as the provision of relevant services, including the design, manufacture and service of international standard dry containers, reefer containers, regional special containers, tank containers, wooden container floorboards, road tank trucks, natural gas equipment and static tanks, road transportation vehicles, heavy trucks, jack-up drilling platforms, semi-submersible drilling platforms, special vessels, passenger boarding bridges, air cargo handling system, ground special vehicles, automatic parking system. In addition, the Group is also engaged in the logistics service business, the industrial city development business, finance and other businesses. The Group has established an industrial cluster focusing on key equipment and solutions of logistics and energy industry through business expansion and technology development.

Currently, the Group ranks No.1 in the world in terms of output and sales volume of standard dry containers, reefer containers and tank containers, and the Group is one of China's largest producer of road transportation vehicles, ranking No.1 in the world in terms of market share of semi-trailers. The Group's boarding bridge business holds the position as a global leader in terms of integrated competitiveness and is one of the three major manufacturers of passenger boarding bridges around the world, with market share in China exceeded 95% for three consecutive years. The Group is also one of the leading high-end offshore engineering equipment enterprises in China.

During the Reporting Period, there was no significant change in the major business model of the Group, and the businesses contributing 10% or more to the Group's revenue included container manufacturing, road transportation vehicle, energy, chemical and liquid food equipment and logistics services, respectively.

Chapter III Report of the Board



II. REVIEW OF PRINCIPAL BUSINESSES DURING THE REPORTING PERIOD

1. Overview

In the first half of 2019, there are many risks and uncertainties arising from the global economic and trade activities. The global economic growth has slowed down. Among others, the economic growth of the PRC will continue to slow down, and the tariff issues with the U.S. will also influence the economic growth of the PRC so that the Chinese government has adopted a series of monetary and financial policies to support the economy; the economic growth of the U.S. has slow down, but the foundation of economy is still solid; the Eurozone economy remained sluggish; and the economic growth rate of the emerging markets decreased slightly.

During the Reporting Period, the Group's revenue amounted to RMB42,717.729 million (same period in 2018: RMB43,560.398 million), representing a year-on-year decrease of 1.93%. Among the principal businesses, revenue from the offshore engineering and industrial city development businesses recorded significant growth. Revenue from the road transportation vehicle, the energy, chemical and liquid food equipment, the airport

facilities equipment and the logistics service businesses sustained stable growth, while revenue from the financial business slightly decreased. Revenue from the container manufacturing business and heavy truck business declined to a certain extent. During the Reporting Period, the Group's net profit attributable to the shareholders and other equity holders of the parent company amounted to RMB679.829 million (same period in 2018: RMB965.397 million), representing a year-on-year decrease of 29.58%.

2. Review of Operations of Major Business Segments

Container Manufacturing Business

The Group's container manufacturing business mainly deals with standard dry containers, reefer containers and special reefers containers. The Group has the capacity to produce a full series of container products with independent intellectual property rights. Special reefers containers include 53-foot inland North American containers, European wide containers, bulk containers, special reefer containers, foldable containers and other products. During the Reporting Period, the Group remained at No.1 in the industry in terms of production and sales volume of containers.

Chapter III Report of the Board

In the first half of 2019, the growth of global economy slowed down, coupled with the impact of the continued tension of global trade frictions, resulting in a significant slowdown in growth of global container transportation. Due to the influence of trade frictions, the preemptive export last year overdrew the export volume this year, which, to a certain extent, slowed down the container transportation demand for the year, and the slowing demand and pessimism brought by the trade frictions to the market resulted in less purchase of new containers by customers. Affected by factors such as the year-on-year decrease in the price of steel and other materials and the increasing competition in the industry, the price of new containers also decreased as compared with last year. During the Reporting Period, the container sales volume and revenue of the Group's container business both recorded a year-on-year decline.

During the Reporting Period, affected by the slowed demand for container business, the accumulated sales volume of ordinary dry containers of the Group reached 573,600 TEUs (same period in 2018: 806,900 TEUs), representing a year-on-year decrease of 28.91%; the accumulated sales volume of reefer containers reached 50,700 TEUs (same period in 2018: 76,600 TEUs), representing a year-on-year decrease of 33.81%. The container business of the Group recorded a revenue of RMB11,332.500 million (same period in 2018: RMB16,094.146 million), representing a year-on-year decrease of 29.59%; and a net profit of RMB37.580 million (same period in 2018: RMB213.564 million), representing a year-on-year decrease of 82.40%.

In the first half of 2019, the demand for containers significantly decreased as compared with the historical peak in last year, and both the demand volume and price of containers were lower than that of the same period last year, especially for standard dry container business. However, through measures such as continuous promoting and implementing the integration of business and finance and electronic procurement platform, the market share of the Group in container business increased as compared with last year, and the production and operation were conducted in a normal and stable manner.

Road Transportation Vehicle Business

CIMC Vehicles, a subsidiary of the Group, is principally engaged in the manufacture and sale of semi-trailers and truck bodies for specialty vehicles. CIMC Vehicles' product portfolio mainly include (1) semi-trailers, comprising chassis and flatbed trailers, fence trailers, tank trailers, refrigerated trailers and van trailer; (2) center-axle car carriers; and (3) truck bodies for specialty vehicles, comprising dump beds for dump trucks, mixers for mixer trucks and a wide range of other truck bodies for specialty vehicles. It markets and sells an extensive range of semi-trailers and truck bodies in China, North America, Europe and other regions, covering over 40 countries.

In the first half of 2019, in terms of the domestic market, the overall macroeconomic performance was stable, but the infrastructure construction in China remains high level; the government continues to increase the construction of shantytowns in cities, mining areas and forest areas, and indemnificatory housing, rural water and hydropower and highway pipe network in the western region; sales of specialty vehicles continued to grow. In terms of the overseas market, affected by slow-down of the US economic growth and increase of trade tensions and tariff, the demand for the US transportation market declined in the first half of the year. The overall European market in the first half of 2019 was in the adjustment stage due to uncertainties such as Brexit.

During the Reporting Period, the total sales volume of road transportation vehicle business of the Group reached 90,123 units (same period in 2018: 92,001 units), representing a year-on-year decrease of 2.04%; recorded a sales revenue of RMB12,713.598 million (same period in 2018: RMB11,529.461 million), representing a year-on-year increase of 10.27%; and a net profit of RMB845.041 million (same period in 2018: profit of RMB626.200 million), representing a year-on-year increase of 34.95%. The increase in revenue and net profit was due to the strong demand for truck bodies for specialty vehicles in the Chinese market and the growth of dry and refrigerated trailers businesses in the North American market, promoting overall revenue and profitability.

Chapter III Report of the Board

In the first half of the year, in terms of the domestic market, the marketing strategy, factory line layout and structure optimization were adjusted by CIMC Vehicles in time according to the market environment and industry regulations and policies. In terms of the overseas market, the North American market actively integrated supply chain resources to improve cost-effectiveness and increase competitive advantage. The European market focused on business integration and tank trailers business, opened up new markets and new products such as tank trailers. In terms of emerging markets, CIMC Vehicles aimed to strengthen the overall profitability by combing and adjusting the operations of overseas subsidiaries.

Energy, Chemical and Liquid Food Equipment Business

The Group's energy, chemical and liquid food equipment business segment is principally engaged in the design, development, manufacturing, engineering, sales and operations of various transportation, storage and processing equipment widely used in three sectors, namely energy, chemical and liquid food equipment, as well as provision of relevant technical and maintenance services. The energy and chemical equipment products and services of the Group are supplied across China and are exported to Southeast Asia, Europe and North and South Americas; and from the Group's production base in Europe, its liquid food equipment products and services are offered worldwide. Meanwhile, the Group also provides a comprehensive range of services for the global oil and gas production and processing industry, specializing in large-scale complex engineering procurement construction (EPC) projects of low temperature systems and installations in energy and chemical industry. This business segment has established a business landscape featuring "the world's local CIMC (地方智慧·全球營運)" based on cooperation between its production bases located in China and Europe. The main operating entity is CIMC Enric.

During the Reporting Period, the energy, chemical and liquid food equipment business of the Group recorded revenue of RMB7,181.715 million (same period in 2018: RMB6,185.680 million), representing a year-on-year increase of 16.10%. The net profit was RMB363.421 million (same period in 2018: RMB298.633 million), representing a year-on-year increase of 21.69%. Among three major business segments of CIMC Enric, a subsidiary of the Group, the revenue from the clean energy business was RMB3,120.071 million (same period in 2018: RMB2,516.134 million), representing a year-on-year increase of 24.00%; the revenue from the chemical environment business was RMB1,932.867 million (same period in 2018: RMB1,699.997 million), representing a year-on-year increase of 13.70%; and the revenue from the liquid food business was RMB1,507.136 million (same period in 2018: RMB1,410.177 million), representing a year-on-year increase of 6.88%.

In the first half of 2019, each principal segment of energy, chemical and liquid food equipment business of the Group was committed to "achieve continued growth with quality" by strengthening core technical reserve and enhancing business competitiveness. (1) The clean energy segment: domestic natural gas consumption continued to grow in the first half of 2019. During the storage process, due to the PRC attaching importance on LNG infrastructure construction, the demand for low-temperature large-slot projects has increased. During the transportation process, due to the healthy development of the overall natural gas market, LNG tanks, CNG vehicles and gas cylinders have maintained a high growth, and a 22,000-square LEG carrier was successfully delivered in the first half of this year. However, due to the continued sluggish LNG logistics prices, the widespread suspension of production and rectification of upstream chemical park enterprises, and the increase in domestic natural gas production which decreased LNG transportation demand, LNG transport vehicles experienced significant decline in sales in the first half of the year. In the context of China's abundant natural gas supply and stable prices, sales of consumer applications such as LNG vehicle bottles, marine LNG fuel tanks and

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gas supply systems in the transportation sector have also increased accordingly. (2) The chemical equipment segment was dedicated to provide customers new logistics solutions and was devoted to the R&D of multi-series and multi-type tank containers and chemical tanks. It actively developed new tank materials and new tank structures, and committed to continuous innovation of products, and improved production line efficiency and product quality through advanced intelligent manufacturing technology. (3) The liquid food segment was dedicated to improving the product portfolio of the key beer equipment, providing overall solutions to the international and domestic food equipment markets, such as deoxidized water preparation system and liqueur blending system development project. In the first half of 2019, we acquired high-quality craft beer business related assets under the brand of Diversified Metal Engineering Group, a renowned Canadian brewing equipment manufacturer, which is the leader in engineering design and equipment manufacturing for craft beer in North America providing strong support for the segment's exploring process in the craft beer market. The segment also actively explored new business areas to achieve diversified development.

Offshore Engineering Business

CIMC Raffles, a subsidiary of the Group, have four R&D and design companies, three construction bases and six operation and management companies, whose integrated operation model comprises design, procurement, manufacture, construction and commission and operation, and possesses the capability of mass and industrialised construction of high-end offshore engineering equipment and other special vessels as a general contractor. CIMC Raffles is also one of the leading contractors of high-end offshore engineering equipment in China and has always participated in international competitions within the offshore engineering market. Its major businesses include the design and construction of semi-submersible platforms, semi-submersible accommodation platforms, jack-up drilling platforms, jack-up accommodation platforms, FPSO, Liftboats, crane vessels, pipe-laying vessels, OSV, ocean tugs, mid-to-high-end yachts and other vessels, with its products covering the majority of offshore engineering products.

In the first half of 2019, affected by a continuing rise of global oil price due to the OPEC production reduction agreement and the low demand due to international trade frictions and economic weakness hereafter, crude oil prices began to be adjusted back. Crude oil is a commodity of "oligopoly supply and rigidly demand" (供應寡頭·需求剛性), its demand affects the prices in the long run. Under the circumstance of slowdown in economic growth of the US and the weak status of European economy, the demand for crude oil will enter into a long-term period of low growth, which will limit the increase of oil price and the oil price will continue to be dominated by supply going forward.

During the Reporting Period, with the newly acquired orders on offshore engineering gradually entering into the construction period, the offshore engineering business of the Group recorded a revenue of RMB1,687.079 million (same period in 2018: RMB788.190 million), representing a year-on-year increase of 114.04%, and a net loss amounted to RMB703.312 million (same period in 2018: net loss of RMB705.578 million).

In the first half of 2019, CIMC Raffles newly acquired effective orders with a value of USD340 million, and the accumulated value of orders on hand reached a value of USD690 million. Newly acquired effective orders included Dutch yacht carrier project, BP jack-up accommodation platform, RoRo project and other newly acquired effective orders such as Lingshui FPU. Project construction: rescue and salvage engineering vessel project kicked off in April 2019; deep sea breeding vessel project began to complete by sections in May 2019; Petrobras FPSO project was completed and began system debugging in June 2019. Assets operation: Semi-submersible Drilling Platform D90 1# commenced to perform the lease contract in April 2019 and Semi-submersible Drilling Platform GM4-D 2# acquired the lease contract in June 2019.

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Airport Facilities Equipment Business

The principal business of the Group's airport facilities equipment business includes airport facilities equipment business (including GSE business), fire and rescue vehicle business, automated logistics systems business and smart parking business.

During the Reporting Period, the airport facilities equipment business of the Group recorded revenue of RMB2,353.548 million (same period in 2018: RMB1,749.181 million), representing a year-on-year increase of 34.55%. It achieved net profit of RMB73.964 million (same period in 2018: RMB85.468 million), representing a year-on-year decrease of 13.46%. During the Reporting Period, the revenue increased significantly as compared with the same period of last year, which was mainly attributable to the increase of revenue from airport facilities equipment business and impacts of acquisition of Shanghai Jindun Special Vehicle Equipment Co., Ltd. (上海金盾特種車輛裝備有限公司) ("Shanghai Jindun") and Shenyang Jietong Fire Truck Co., Ltd. (瀋陽捷通消防車有限公司) ("Shenyang Jietong").

In the first half of 2019, the strength of the Group's airport facilities equipment business was further improved: (1) The airport facilities equipment business: the Group maintained its leading position in both domestic and overseas markets. With the development of the global aviation industry, the demand for the Group's airport facilities equipment increased as a result of expansion of airports in various regions due to increased passenger traffic. The Group's new orders of boarding bridges in the first half of the year increased as compared with the same period of last year. In order to improve the completion efficiency of the boarding bridges, the Group outsourced part of the production of fixed bridges and part of the installation projects, increased the recruitment of engineering staff for safety equipment, enhanced communications with customers and accelerated the acceptance work of the boarding bridges. In terms of GSE business, our shuttle buses continued to maintain its leading position in the industry. In response to global concerns about environmental protection, the Group is developing different electric and energy-saving specialty vehicles in addition to electric shuttle buses to maintain its leading

position in the industry. (2) The fire and rescue vehicle business: in the first half of 2019, the Group completed the acquisition of two well-known fire vehicle manufacturing enterprises in China, Shanghai Jindun and Shenyang Jietong. The major markets of Shanghai Jindun cover the Yangtze River Delta and southeast coastal areas, while the products of Shenyang Jietong basically cover the major domestic markets with the advantage of its self-developed aerial lift truck. The profit contribution of the two enterprises was the main reason for the growth of the fire and rescue vehicle business in the first half of the year. (3) The automated logistics systems business: the Group continued to increase the market share of advantageous business, and the contract amount of single project significant increased; the overall operation and synergy began to emerge. (4) The smart parking equipment business: during the Reporting Period, the self-developed and the first pilot project of "mechanical smart multi-storey public bus parking garage" (機械式智能公交立體停車庫) in the industry was in steady progress, which has advantages in significantly enhancing the intensification of the land and of large market capacity.

Heavy Truck Business

The Group operates the heavy truck business through its subsidiary, C&C Trucks. C&C Trucks positions its products in the mid-end to high-end heavy truck market in the international market and the high-end heavy truck market in the domestic market with the product development strategy of "leading domestic techniques and following foreign techniques" (國內技術領先、國外技術追隨) and the development strategy of "making high-end products, providing quality services, and creating first-class brands". Its key products cover two kinds, namely diesel and oil, and five series, namely tractors, mixer trucks, dump trucks, cargo trucks and special-use vehicles.

In the first half of 2019, domestic heavy truck market underwent downturn. In addition to the adverse factors such as the stringent vehicle plate licensing system, the downturn of manufacturing industry also had an impact on the heavy truck market.

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During the Reporting Period, C&C Trucks under the Group recorded overall sales volume of 3,646 units (same period in 2018: 5,523 units), representing a year-on-year decrease of 33.99%, recorded a revenue of RMB1,111.420 million (same period in 2018: RMB1,620.106 million), representing a year-on-year decrease of 31.40% and a net loss of RMB43.698 million (same period in 2018: net profit of RMB5.445 million).

In the first half of 2019, C&C Trucks actively responded to the market changes and implemented a series of effective measures. In the domestic market, C&C Trucks formulated the "one store, one policy" special project policy to support regional key products based on regional differentiated markets; developed U+ new products and promoted nationwide based on model upgrades; gradually developed the U series light dump trucks, U series light mixer trucks, natural gas port trucks, low-top coal trucks and other more competitive products in order to meet the market's demand; at the same time, C&C Trucks focused on promoting the synergy business within the Group. In the international market, focusing on the Southeast Asian market, C&C Trucks expanded the surrounding markets by utilizing the resources from domestic trading companies, and developed new markets in Nigeria and some countries in Central Asia on the basis of stabilizing the existing market such as the Philippines. Therefore, C&C Trucks has achieved the international business operations by transforming its business model from the original single self-operated export to the combination of self-operated export and export through traders channel.

Logistics Service Business

The Group's logistics services segment focuses on four core business lines of container services, marine transport and project logistics, rail-water intermodal transport and equipment logistics, and has established a strategic mission of "becoming a cross-border comprehensive logistics solution service provider with 'equipment + service' as the core".

In the first half of 2019, the continuing impact of the trade frictions brought uncertainties to global trade recovery, with a global liquidity of commodity slowdown and a decrease in import and export business, the related logistics companies have been adversely affected in their performance, and the overall domestic and import and export logistics markets are in weak growth. Meanwhile, affected by factors such as the downturn of the domestic economy, the de-intermediary of the industry, the conversion from old to new driving factors of growth in economy and trade, the logistics enterprises were facing greater challenges.

During the Reporting Period, the logistics service business of the Group achieved a revenue of RMB4,310.316 million (same period in 2018: RMB4,062.616 million), representing a year-on-year increase of 6.10 %, and a net profit of RMB90.772 million (same period in 2018: RMB83.516 million), representing a year-on-year increase of 8.69%.

In the first half of 2019, four major business lines of the logistics service business of the Group were in steady progress: (1) The container services business line: the Group formulated the business plans focusing on the development of three major products, namely empty/heavy container yard, railway station services and container leasing and sales; strengthened cooperation in Southeast Asian markets including Thailand, Vietnam and Malaysia; entered into joint ventures and cooperation with shipping companies in the yard businesses; cooperated with railway bureaus to continuously improve the railway station service network. (2) The marine transport and project logistics service business line: the Group improved domestic and international layout based on and along regions under the "Belt and Road" initiative, focusing on key regions such as East Africa, South Africa and Southeast Asia; promoted the shipping and freight forwarding outlets in Yingkou and Penglai, and expanded shipping and freight forwarding service coverage nationwide; actively explored strategic opportunities in new fields such as LNG tank container intermodal transport and cold chain

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logistics. (3) The rail-marine intermodal transport business line: the Group closely adhered to the "Belt and Road" initiative, recorded a container shipping volume amounting to 3,198 TEUs by Sino-European and Sino-Asian freight trains in the first half of 2019, and achieved full coverage with its three railway routes for Sino-European freight trains spanning across the eastern, central and western regions; has set up an outlet in Guangxi to actively improve the network layout in Southwest China under the "Southward Passage". (4) The equipment logistics business line: in the first half of the year, this business line achieved a relatively good performance. The business growth of equipment operation was mainly attributable to the investment in leasing assets of the leasing business and the development of new customer, in terms of the equipment manufacturing, the decline in the US and Japanese markets was mainly offset by the contribution from the domestic market.

Industrial City Development Business

The industrial city development business of the Group is operated mainly through its controlled subsidiary, CIMC Skyspace Real Estate, and its subsidiaries. Its principal businesses include the development of complexes in industrial cities, development and operation of industrial parks, etc.

In the first half of 2019, the real estate market was in a tough environment. Affected by the economic and trade frictions, the real economy was under a relatively greater downward pressure, which resulted in a significant adverse impact on industrial real estate. In this context, the Group's industrial city development business actively responded to policy and market changes, and achieved good results with accurate strategic layout and continuous deep development of core cities. During the Reporting Period, the Group's industrial city development business recorded a revenue of RMB563.308 million (same period in 2018: RMB159.955 million), representing a year-on-year increase of 252.17%; and a net profit of RMB78.253 million (same period in 2018: RMB38.009 million), representing a year-on-year increase of 105.88%. During the Reporting Period, the revenue represented a significant increase as

compared with that of the same period of the last year, mainly due to carrying-forward of projects; net profits represented a significant increase as compared with that of the same period of the last year, mainly due to the increase of government grants recognized during the Reporting Period.

In the first half of 2019, the Group's industrial city development business achieved considerable results in land expansion by focusing on the key resource layout in two major core areas: firstly, taking Shenzhen as the core to cover the Guangdong-Hong Kong-Macao Greater Bay Area; secondly, taking Shanghai-Yangzhou as the core, to gradually form a two-point and one-line regional development layout in the Yangtze River Delta. During the Reporting Period, the land use right transfer contracts in respect of the land parcels of T102-0289 and T102-0290 of Qianhai pre-initiation project (first phase) in Shenzhen (深圳前海先期啟動區) were entered into, and the development and construction of the project is in smooth progress. The Low-orbit Satellite IoT Industrial Park Project in Guangming New Zone of Shenzhen (深圳光明新區低軌衛星物聯網產業園項目) and the Meilan Lake Project in Shanghai (上海美蘭湖項目) are under orderly progress. The newly acquired Yangzhou Jiangguang Science and Technology Innovation Financial Center Project (揚州江廣科創金融中心項目), Shunde Military-civilian Integration Industrial Project (順德軍民融合產業項目) and Guangzhou Panyu Yayun Avenue Industrial Project (廣州番禺亞運大道產業項目) will further expand the business scope of integrated development of industrial cities. The Shenzhen Prince Bay Project (深圳太子灣項目) is also in progress as scheduled. In March 2019, CIMC Skyspace Real Estate ranked 22nd among the "Top 30 Industrial Real Estate Operators in China in 2019". The Guangdong Xinhui CIMC Database project (廣東新會中集智庫項目) was awarded the titles of Science and Technology Business Incubator of Jiangmen City (江門市級科技企業孵化器) and the Demonstration Base for SME Entrepreneurship and Innovation in Guangdong Province (廣東省小型微型創業創新示範基地). The Group will actively explore cooperation in joint development, industrial finance and industrial resources, so as to lay a foundation for the sustainable development of the future business of CIMC Skyspace Real Estate.

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Financial Business

The Group's financial business is devoted to establishing a financial service system which matches the Group's strategic role as a leading manufacturer in the world, enhancing the efficiency and effectiveness of the Group's internal capital utilisation, and providing various financial service measures for the Group's strategy extension, business model innovation, industrial structure optimisation and overall competitiveness enhancement. The main operating subsidiaries consist of CIMC Financial Leasing Company and CIMC Finance Company.

During the Reporting Period, the financial business of the Group achieved a revenue of RMB940.284 million (same period in 2018: RMB1,048.934 million), representing a year-on-year decrease of 10.36%, and net profit of RMB199.065 million (same period in 2018: RMB306.208 million), representing a year-on-year decrease of 34.99%. During the Reporting Period, the year-on-year decrease in revenue and net profit was mainly due to the expiration of the lease of the SSCV platform, while the year-on-year decrease in net profit was also due to the increase in financing costs.

In the first half of 2019, adhering to the strategic positioning of the "integration of industry and finance" (產融協同), CIMC Financial Leasing Company continued to optimize the operation model of its specialised subsidiaries, enhanced its professional capabilities, strengthened the operation synergy and finance synergy of the Group's manufacturing segment, further optimized the business layout and asset portfolio, and explored and cultivated the new business with weak cyclicity and low risks relevant to businesses of the Group. Meanwhile, CIMC Financial Leasing Company continued to optimise and improve the comprehensive risk management system and adhere to the strategy of "quality first, strict risk control", and strengthened the risk management and control for all employees and throughout the whole process. In terms of the first half of the year, the investment in new businesses was in line with the expectations, the business portfolio continued to be optimized, and the development of overall business remained safe and stable.

In the first half of 2019, based on the general trend of the business development of the Group, has acted as the fund collection platform, fund clearing platform, fund supervision and control platform and the financial services platform, CIMC Finance Co., Ltd. strengthened the agglomeration effect of capital resources, improved the efficiency of fund turnover, guaranteed the safety of capital operation and eventually achieved the best efficiency for the Group as a whole. In the first half of 2019, the total amount of new capital investment of CIMC Finance Co., Ltd. was RMB7.361 billion, which took advantages as the platform to meet the individualised financial needs of enterprises and provide efficient and convenient quality services to the enterprises within the Group. At the same time, CIMC Finance Co., Ltd. continued to expand the credit business as buyers, so as to provide financial support to industry chain customers of the Group, facilitate the sales of the enterprises and the healthy development of industry chain customers, and to realise the positive interaction in the industry chain.

Other Businesses:

Modular Building Business

CIMC Modular, a subsidiary of the Group, is engaged in the modular building business, and the one-stop industry and finance integration service model of "manufacturing + financing + service" has gradually matured.

In the overseas markets: In the first half of 2019, the Group's modular building business fully expanded into the national and regional markets, such as UK, Australia, New Zealand, US, Northern Europe. The markets in the UK and Australia have a relatively mature foundation, and have a number of hotel projects entering into preliminary design stage, which is expected to form bulk orders within the year. The company actively promoted the access to the private residential market with the local competent authority of construction in UK and made adequate preparation for entering this niche market. The first fully pre-installed curtain wall high-rise hotel project in the Australian market completed its hoisting. The first public security service project in the New Zealand market

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was successfully delivered. After the successful delivery of the first project in the US market, the company entered into a contract with a well-known hotel group. The company also entered into a strategic cooperation agreement with a well-known property developer, laying the foundation for the development of the North American market. The company further explored the North European market, and has successfully delivered a project to another well-known hotel group in Iceland, and has formed strategic cooperation relationship with a well-known group in Norway, the technical access work is progressing smoothly.

In the domestic markets: In the first half of 2019, CIMC Modular actively responded to the requirements of the national building assembly industry policies while grasped the market opportunity of cloud data center construction in the "5G" era. CIMC Modular also established strategic cooperation partner relationship with well-known technology groups, successfully developed modular cloud data center products, and implemented a number of projects in the PRC. At the same time, CIMC Modular promoted the market development in Hong Kong in an orderly manner, the modular building technology was highly recognized by the Hong Kong government, and CIMC Modular successfully won the bid for the first Senior Talent Apartment Project of Hong Kong Science and Technology Park (香港科技園高級人才公寓項目).

Multimodal Transport Business

In the first half of 2019, guided by the strategic thinking of "procuring equipment, building channels, entering stations, and establishing platforms" (上裝備、建通道、進場站、搭平台), CIMC Multimodal Transport Development Co., Ltd., a subsidiary of the Group, continuously optimised the layout, expanded the scale and solidified the capacity. In terms of the network layout, two new container freight trains for railway transportation were

launched, the network layout of road-rail transport covered 11 railway bureaus, and the backbone network of inland multimodal transport has been continuously improved. In terms of marine transport platform, the number of controllable vessels reached more than 20, and the application of 35-ton open-top containers in steel and iron railway industry has been actively promoted, so as to realise the marine-rail container transport of steel materials. With deeply cultivating the chemical and food industries, the multimodal transport business for hazardous chemical and liquid has increased significantly. The self-developed online LCL platform, CIMC Youpin (中集優拼), has been launched, taking the advantages of road-rail transport network and bringing new experiences to domestic customers.

In the second half of 2019, the impact of the trade frictions will continue to deepen, the domestic manufacturing industry is in sluggish and the international logistics business is expected to decline. However, in the domestic market, the demand for continuous cost reduction and efficiency enhancement has become increasingly urgent due to the economic downturn, and the business with the concept of improvement of equipment and multimodal transport has prominent advantages and better development prospects. The Group's multimodal transport business will continue to increase its investment in channel and network layout, control of core resources and market development.

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III. FUTURE DEVELOPMENT AND OUTLOOK

1. Macroeconomic Environment and Policies

In the second half of 2019, the uncertainties of the economy and trade nationwide and abroad will continue to increase, the international trade situation will tend to be severe, and the recovery of the global economy will face challenges. The PRC will continue to deepen and strengthen the supply side structural reform, prevent risks, boost domestic demand, accelerate the promotion of innovation-driven development strategy, implement the "stable and neutral" monetary policy, and the economic operation of the PRC will maintain stable and positive.

2. Industry Development Trend and Market Outlook

In respect of the container manufacturing business, according to the latest prediction made by CLARKSON (a leading global industry analyst), the growth of global container trade and shipping capacity in 2019 is expected to be 2.5% and 3.1% respectively, and the imbalance between the market supply and demand will become worsen. As compared with the previous year, the growth of both container trade and shipping capacity have significantly declined, and the container shipping industry is facing a situation in which the growth of trade has continued to decline since 2017. In the context of the slowdown of global economy and the rise of trade protectionism, the customers are of a negative view to the market in the future, and have relatively insufficient willingness to purchase containers. It is expected that the demand for containers for the whole year of 2019 will significantly fall back as compared to the historical high record of previous year.

In respect of the road transportation vehicle business, in the second half of 2019, to strengthen leading position in the global semi-trailer market, CIMC Vehicles intends to (1) further digitalize production process; (2) promote an agile organization adaptive to digitalized manufacturing and operation; (3) continue to develop new products and improve product features; (4) capture emerging business opportunities with growth potential; and (5) strengthen global operations with comprehensive local knowledge.

In respect of the energy, chemical and liquid food equipment business, as the PRC enters the golden period for natural gas development, demand for natural gas will continue to grow rapidly, and the clean energy segment will consolidate and continue to expand the comprehensive capacity of key equipment manufacturing, engineering services and solution provision for natural gas storage infrastructure, transportation equipment and applications which will deploy along the whole natural gas industry chain and further integrate the overseas energy business. It is expected to maintain stable and rapid development of demand for natural gas for a long term. The chemical environment segment has entered into a period of steady growth in markets of developed countries in Europe and the United States. The demand for tanks in emerging markets will be in the trend of significant increase along with replacement and upgrades of the traditional transportation methods in the local chemical industry and high degree of concern for the safety, green and efficient transportation of dangerous goods, which will drive the global tank market to maintain growth. In the future, the liquid food segment will focus on developing existing business in the existing market, continuously introduce innovative products and services, enhance its business positioning, and actively explore new business opportunities, and strive to maintain continuous growth.

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In respect of the offshore engineering business, in the second half of 2019, international oil prices, as the core driving force for the offshore engineering market, will be underpinned by improved global supply and demand, reduced inventories and geopolitical situation. Offshore oil and gas development activities will further increase; market supply and demand continues to improve, and utilisation rate of drilling platforms continues to recover. However, oversupply still exists in the current market, and significant recovery in rentals is hard to achieve in the short term. Given the limited demand for building new drilling platforms and offshore engineering vessels for oil and gas development purpose, floating production platforms and offshore engineering vessels for non-oil and gas development purposes will account for the majority of orders for a certain period in the future.

In respect of the airport facilities equipment business, in the second half of 2019, it is expected that the global aviation industry will maintain its growth. The demand for airport facilities will increase in response to the scale expansion of airports and the upgrading of airports in various regions, which will benefit the business development of boarding bridges, loading equipment, airport special vehicles, etc. With the rapid development of urban construction in the PRC, there are high potential risks of sudden safety incidents such as fire and rescue in the cities and currently, the PRC urgently needs to quickly build a large number of large, medium and small fire stations. Under this background, the development of fire vehicles and fire equipment business will be benefited. The scale expansion of airports and the continuous development of e-commerce business are beneficial to the development of automated logistics business. Under the strategy of "giving priority to public transport" (公交優先) advocated by the government and greatly increasing the intensive use of land in urbanization development, the Group's self-developed and initially innovated "mechanical intelligent multi-layer bus parking platform" (機械式智能公交立體停車庫) in the industry are expected to embrace relatively higher growth.

In respect of the heavy truck business, in the second half of 2019, due to factors such as the early sale and overdraft of natural gas heavy trucks, the tightened plate licensing and high inventory level resulted from the over-loading governance on engineering vehicles, and other unfavorable factors, the heavy truck market will face great challenges in the second half of the year. However, there are still opportunities in some markets. With the increase in demand for logistics and transportation in the second half of the year, as well as the opportunities from replacement of the GB III vehicles and the light vehicle opportunities brought by the over-loading governance, it is expected that the competition for road vehicles will become more intense in the second half of the year and the market will focus on the destocking of engineering vehicles. It is expected that the overall market will decline in the second half of the year. According to the prediction of Roland Berger, the annual sales of heavy trucks will be approximately 1.05 million units, representing a year-on-year decrease of approximately 7%.

In respect of the logistics services business, in the second half of 2019, the successive introduction of policies to encourage the development of import and export logistics enterprises, such as taxes and fees reducing, one-stop customs clearance, and actively promoting multimodal transport and railway reform by the PRC government, it will bring good opportunities for the development of logistics business. However, due to the long-term effect of the trade war between the PRC and the US, in the second half of 2019, the burden on import and export business in the PRC remains heavy, and there are still many uncertainties in logistics business.

In respect of the industrial city development business, in the second half of 2019, the economic development faces many uncertainties. The whole real estate industry adheres to main tone of the regulation of "houses are for living, not for speculation" (房住不炒) and "city-specific policies" (因城施策), financing will be under greater pressure, and the overall industry operating environment will remain tough. CIMC Skyspace Real Estate is committed to maintaining stable and quality growth and meanwhile maintaining good profitability and ensuring stable financial performance.

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In respect of the financial business, in the second half of 2019, with the evolution of the trade frictions, the domestic economy is under downturn pressure, and many external uncertainties will still exist, and the turbulence risks of global financial market will rise again. The financial leasing industry has entered into a steady development stage from high-speed growth stage in the past few years, and the overall growth of the industry tends to slow down and risks tend to rise. CIMC Financial leasing Co., Ltd. will focus back on the leasing business which serves the real economy by combining capital and equipment, and create competitive advantages through professionalism and differentiation in leased properties and product differentiation.

3. Overall Operation Targets and Initiatives for Main Business Segments

In the second half of 2019, the Group will persist in its strategic positioning of “manufacturing + service + financing”, continue to promote the transformation and upgrade of its businesses, and extend its manufacturing segment toward the service segment based on customer needs. The Group will also continue to improve its global operating capabilities, optimise its businesses and assets, accelerate the clustering of industries, and develop competitive advantages in its industrial chain. In terms of technological upgrade, business model and management mechanism, the Group will strive for constant innovation and risk control. The Group will also strive to grasp changes in the market and complete the layout of its emerging industries and innovative businesses in order to achieve sustainable quality growth.

In respect of the container manufacturing business, in the second half of 2019, the Group will continue to strive to improve the profitability of its principal business. At the same time, through carrying out innovative upgrade and connotative optimisation, the Group will continue to reshape its core competitiveness in the container

manufacturing business, strengthen and enhance its leading position in the container manufacturing industry. The Group will improve the building of enterprise digital management system, promote the implementation of ERP project, and enhance the competitiveness of the organization. The Group will further accelerate the upgrading and transformation of production lines for containers through intelligent manufacture upgrading projects, in particular, the improvement of the automation level of the production line and the green development level of HSE. By exploring and optimising the key employee incentive scheme, the Group will be able to effectively induce key employees’ motivation and creativity. In respect of new business expansion, the Group will establish a model combining industrial fund investment and equity direct investment through collaborations, and continue to develop new business areas including cold chain business, logistics appliances business and strategic new material.

In respect of the road transportation vehicle business, in the second half of 2019, under the premise of stable stock business, the North American market will actively respond to changes in the market environment, formulates sales strategies in advance, and taps into customers’ potential. The European market focuses on deepening the transoceanic manufacturing model to further increase market share of the Group. The emerging markets actively build a network of distribution channels and enhance competitiveness. In the Chinese market, the “Joint Committee of High-Quality Trailer Development of China” (中國掛車高質量發展聯席會) has been initiated and established. It is committed to creating an ecological circle of healthy and high-quality development of China’s trailer industry, aiming to strengthen self-discipline and group development through legal operation, sharing resources, jointly promote the healthy development of the industry, and find a way for the high-quality development of China’s trailer industry.

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In respect of the energy, chemical and liquid food equipment business, in the second half of 2019, the Group's energy, chemical and liquid food equipment business will continue to adhere to the main development path of our core business of "equipment manufacturing + project engineering services + integrated solutions", actively keep in line with national policies and expand market share. The clean energy business will actively deploy the upstream and downstream industrial chain of natural gas, focus on building the LNG full service chain and LPG full service chain, continuously adjust and optimize the high-voltage business chain with hydrogen, electronic gas and CNG, and seize new opportunities in dealing with unconventional natural gas and development of application equipment and marine LNG application. Under the premise of consolidating the leading position of the standard tank container market, the chemical environment business will vigorously expand the application range of special tank containers and attempt to enter the environmental industry field. The liquid food business will utilize the core technology and EPC contracting advantages, expand the global market and non-beer food equipment and engineering business through the two-dimensional development of the vertical beer industry chain and the horizontal liquid food business.

In respect of the offshore engineering business, in the second half of 2019, the Group will continue to actively carry out business transformation and layout of the offshore engineering business by focusing on the oil and gas industries and expanding into a diversity of relevant businesses. The Group plans to implement three key measures: (1) de-stocking: pursuing leasing and disposal of idle assets; (2) structure adjustment: seizing the development opportunities for marine economic to pursue product diversification and developing new strengths by expanding into new business; (3) management upgrade: carrying out lean management of offshore engineering business by adopting high benchmarks in vessels and offshore engineering.

In respect of the airport facilities equipment business, in the second half of 2019, the airport facilities equipment business will continue to cultivate strategic market, consolidate and enhance market share, maintain the leading position in the global market of boarding bridge. The Group will strengthen product life cycle management, improve service system, expand broader service business with the support of information technology and big data, keep pace with service and manufacturing, and substantially increase the sales proportion in service business. On the basis of its self-manufacturing upgrade, the airport facilities equipment business will seek possible value-added space in service and consumer side along the industrial chain. Firefighting and rescue business will take merger and acquisition as the core measure to achieve complete category and reasonable layout and scale expansion of business, implement overall operation management, unified service, R&D and procurement, continuously increase overall coordination at the sales and production levels, continue to optimize and innovate the overall solution of fire truck rental, and open new model of "equipment + finance + service" for fire truck business and gradually promote nationwide. Automated logistics systems business will continue to carry out strong integration, focusing on business and market, do well in project management, and form competitive advantages at specialization and efficient delivery.

In respect of the heavy truck business, in the second half of 2019, C&C Trucks will continue to carry out its work under the operational principles of "market orientation, scale priority, quality growth and risk prevention". (1) In terms of sales, C&C Trucks will carry out marketing channel construction and capacity improvement, focus on building the TOP30 super channels, and promote the sales model of sales and financial services integration and deepen group coordination. (2) In terms of products, C&C Trucks will focus on improving the competitiveness of core products, completing the light weight reduction of mixer trucks and dump trucks, and improving product performance and quality reliability. (3) In respect of services, C&C Trucks will continuously improve the response efficiency of terminal service, innovate the sales mode of accessories, and promote customer satisfaction degree. (4) In respect of internal management, C&C Trucks will accelerate the liquidation of inefficient assets and continue to carry out cost reduction and efficiency increase.

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In respect of the logistics service business, in the second half of 2019, facing changes in the internal and external environments, the Group will take it as a strategic mission to become a cross-border comprehensive logistics solution provider in the logistics services industry, centering on “equipment + service” and furthering strategic focuses and structure optimization. The Group aims to achieve steady growth under the tough economic situation. In terms of business optimization and development, the Group will enhance the capacity in providing comprehensive logistics solutions, and strive to create champion products. Based on the organization model of “control by group, construction by segments and operation by enterprises directly in-charge” (集團抓總、板塊主建、直管企業主戰), the Group will actively promote the optimization of segmental organizations and the construction of core teams; in line with the “Belt and Road” national strategy, the Group will rapidly complete its joint venture strategic partner layout. The Group will focus on digital construction to speed up digital transformation and the business upgrade. To prevent and control significant risks, the Group will carry out key tasks, including investment and merger and acquisition management, health, safety and environment (HSE) management and internal control and audit.

In respect of the industrial city development business, in the second half of 2019, CIMC Skyspace Real Estate will continue to implement the development strategy of “one body two wings, light and heavy go hand in hand (一體兩翼·輕重並舉)” and lay out asset-light and asset-heavy businesses, focusing on characteristic industries and national strategic emerging industries of CIMC, insisting on expanding Guangdong-Hong Kong-Macao Greater Bay Area and the Yangtze River Delta market, and rapidly promoting the implementation of the Qianhai project and “three districts and one alley” project in Yangzhou (揚州三區一廊). CIMC Skyspace Real Estate will strive to build “six major centres and nine major capabilities” (六大中心·九大能力) and commit themselves to building a comprehensive development platform for industrial parks with the industrial city integration as the core.

In respect of the financial business, in the second half of 2019, CIMC Financial Leasing Co., Ltd. will continue to deepen the coordination of industry and finance, vigorously promote the professional development of professional subsidiaries, improve professional capacity, optimise customer portfolio, innovate business mode, enhance the quality of its assets, continue to improve and optimise the comprehensive risk and management system, gradually develop a diversified financing system and financing capability, strengthen the operational efficiency and service of middle and back office operations, improve the standard of digital management and realise sustainable development. Under the operational strategy of “providing quality services, keeping bottom line, optimisation and improvement, achieving quality growth” (優質服務·堅守底線·優化提升·有質增長), and basing on the main business trend of the Group, CIMC Finance Co., Ltd. will strengthen centralized management of the Group’s funds, continuously improve financial services, optimise business structure, and actively promote business management system construction and business process optimization, improve comprehensive competitiveness, promote the industry chain financial services steadily, adhere to the risk bottom line and promote the business development of the Group.

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4. Major Risk Factors in the Future Development of the Group

Risk of economic periodic fluctuations: the industries that the principal business of the Group is engaged in are dependent on global and domestic economic performance and vary with economic periodical changes. In recent years, the global economy has become increasingly complex with increasing uncertainty factors. In particular, the rise of the trade protectionism will have a negative impact on the growth of the global economy and trade. Downward pressure on the domestic economy is mounting, the overall economic vitality is weak, and the growth rate of consumption and investment is slowing down. There are risks that the growth of the Group's various principal businesses might slow down. The changes and risks in the global economic environment put forward higher requirements on the Group's operating and management capabilities.

Risk of economic restructuring and industry policy upgrade in China: China's economy entered into the new normal stage and the government comprehensively deepened supply-side structural reform to push forward the transformation and upgrade of economic structure. The changes in new industrial policies, tax policies, etc. that have a huge impact on business operations have resulted in uncertainties to the future development of this industry. The main businesses of the Group, as part of the traditional manufacturing industries, will face certain policy adjustment risks in the coming years.

Risk of trade protectionism and anti-globalisation: anti-globalisation trend such as trade protectionism measures implemented by the US, Brexit and political elections in European countries, will bring more uncertainties to global trade recovery and threats to global economic growth. Part of the Group's principal businesses will be affected by global trade protectionism and anti-globalisation, such as anti-monopoly, anti-subsidy and anti-dumping investigations, etc.

Fluctuations of financial market and exchange risks: the presentation currency of the consolidated statements of the Group is RMB. The Group's exchange risks are mainly attributable to the foreign currency exposure resulting from the settlement of sales, purchases and finance in currencies other than RMB. During the process of promoting Renminbi internationalisation, and under the backdrop of constant volatility in the global financial market, the exchange rate of RMB against USD will fluctuate with increased frequency and volatility, thus making it more difficult for the Group to manage its foreign currencies and capitals.

Market competition risks: the Group faces competition from both domestic and foreign enterprises in respect of its various principal businesses. In particular, a weak demand or relative overcapacity will lead to imbalance between supply and demand, which will cause intensified competition in the industry. In addition, the competition pattern of the industry may change due to entry of new players or improved capacity of existing competitors.

Employment and environmental protection pressure and risks: with demographic changes in China and gradual loss of demographic dividend, labour costs in China's manufacturing industries have been continuously rising. Automation represented by robots is becoming one of the key directions for future upgrading of the traditional manufacturing industries. In addition, China has been attaching increasing attention on environmental protection and carrying out sustainable development strategies, strengthening environmental protection requirements for China's traditional manufacturing industries.

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I. BUSINESS OVERVIEW

(I) Principal Business Engaged by the Company during the Reporting Period

For the principal business engaged by the Company and its operation during the Reporting Period, please refer to “I. Business Summary” and “II. Review of Principal Businesses during the Reporting Period” under “Chapter III Report of the Board” in this Report.

(II) Significant Changes in the Main Assets during the Reporting Period

1. Significant Changes in the Main Assets

During the Reporting Period, there were no significant changes in the main assets of the Group.

2. Main Overseas Assets

Applicable Not applicable

(III) Analysis of Core Competitive Advantages

Strategic Positioning of “Manufacturing + Service + Finance”

The Group has formed an industrial pattern spanning both logistics and energy sectors, established major business segments with industry leading position and good prospects, and will continue to explore and deploy in emerging industries which help to give full play to the Group’s advantages. While reinforcing its edge in traditional industries, the Group promoted a customer demand-oriented business expansion from manufacturing to incorporate service, offered comprehensive solutions covering the entire life cycle of a product, and will continue to adhere to the strategic positioning and industrial ecosystem of “manufacturing + service + finance”, closely focusing on intelligent manufacturing and intelligent logistics to advance business transformation and upgrade.

Development Philosophies of Business Diversification and Globalisation

The Group has always been committed to reasonable business diversification and globalised deployment. The Group’s existing principal businesses cover container manufacturing business, road transportation vehicle business, energy, chemical and liquid food equipment business, offshore engineering business, logistics service business, heavy truck business, airport facilities equipment business, industrial city development, financial business, and other emerging industries, with its production bases spreading across Asia, Europe, North America and Australia, and its business network spanning major countries and regions around the world. In particular, the container business continued to take the lead in the industry worldwide, as well as road transportation vehicles, energy and chemical equipment and offshore engineering businesses with strong competitive edges. The efficient implementation of business diversification and globalised deployment effectively offset the adverse impact from periodic fluctuations of the global market in recent years on the Group’s results.

A Standardised and Effective Corporate Governance System

The Group has developed a set of effective governance models covering business philosophy, governance structure and management mechanism. A standardised and effective corporate governance structure is the institutional safeguard of the Group’s sustainable and healthy development. Since 2010, the Group has launched the strategic upgrade campaign of “building an empowering platform for sustainable and healthy development of CIMC”. According to the organisational transformation direction of “layering management”, the Group has established a three-tier management model comprising the executive committee, special committees and the Board as well as a 5S core management process, introduced and actively pushed forward the lean management system to the entire Group, firmly enhanced the implementation progress of regulation compliance in all levels of organisation of the Group and the accountability system on officers. As a result, the Group has established a new management system which ensures sustainable and healthy development of its businesses in the future.

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Lean Manufacturing Management Capabilities

With the accumulation of large-scale, serialised and standardised management experience and capabilities in the area of container manufacturing over the years and its continuous improvements and upgrades, currently, the Group introduces the lean management concept to the whole Group, and brings into full play of such core capabilities as highly efficient, safe, green and lean production and manufacturing technologies and process management represented by the ONE model and QHSE across its business segments to realise the goal of continuous improvement.

Integrated Resources and Ability to Achieve Collaborative Development

In several business segments such as the road transportation vehicle, energy, chemical and liquid food equipment and airport facilities equipment, the Group has fully integrated supply chain, production and manufacturing, services and other processes through a series of mergers and acquisitions to secure its leading cost advantage and leadership in the industry. On the basis of existing resources and strengths in manufacturing and operation, the Group cultivates new businesses and industry chains for resource sharing and development synergy. The Group is aiming to capitalise on local strengths and integrate global resources to establish a new business ecosystem.

Technological Research and Development Capabilities and Intellectual Property Rights Protection

The Group always attaches great importance to technological research and development capabilities through: developing mid-to-long term development strategies to optimise R&D systems and platforms and accelerate the development of products and technologies as well as evolution of existing products to promote R&D of new products, technologies, processes and equipment, while constantly improving the mechanism for identifying, inspiring and promoting innovations to speed up the commercialisation of technological achievements; and strengthening protection of intellectual property rights by taking "building high-quality patent groups and making full use of the value of intellectual property rights" as the general requirement, establishing and improving an all-round effective mechanism for protecting, operating, safeguarding and preventing infringement of intellectual property rights. In addition to being a national enterprise technology centre, the Group establishes 47 group-level technology centers, including 17 A-level technology centers (2 of which are at national level) and 30 B-level technology centers (6 of which are at provincial level). To consolidate and improve its business competitive advantages, the Group is implementing technology innovation and upgrade projects such as "Longteng (龍騰), Super Magalhaes (超級麥哲倫) and Dream Six D (夢六D)" on business segments including container, road transportation vehicle, and energy, chemical and liquid food equipment, respectively, while conducting prompt and efficient deployment of intellectual property rights protection to leading technological innovation achievements in relevant industries, and has applied for 294 patents (124 of which are invention patents). The Group is well-positioned to capitalise on its strong R&D and intellectual property rights protection capabilities to convert its leading technologies into competitive advantages.

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II. OPERATION DISCUSSION AND ANALYSIS

(I) Overview

For the operation of the Group's principal businesses during the Reporting Period, please refer to "II. Review of Principal Businesses during the Reporting Period" under "Chapter III Report of the Board" in this Report.

(II) Analysis of Principal Businesses

1. Year-on-year change exceeding 30% in key financial data

Unit: RMB thousand

	30 June 2019 (unaudited)	31 December 2018 (audited)	Change (%)	Reasons for the change
Advances to suppliers	3,212,909	6,861,297	(53.17%)	Mainly due to the transfer of the Group's land prepayment for the Shanghai Baoshan Project into inventory.
Contract assets	2,432,628	1,514,348	60.64%	Mainly due to the increased right to receive consideration for goods being transferred to customers.
Long-term equity investments	5,430,838	3,569,900	52.13%	Mainly due to the newly increased investment in Shenzhen Taiziwan Shangtai Real Estate Co., Ltd.
Other non-current financial assets	106,993	332,081	(67.78%)	Mainly due to changes in the fair value of interest rate swap contracts.
Right-of-use assets	769,509	–	–	Mainly due to the implementation of the New Leasing Standards.
Other non-current assets	30,833	391,754	(92.13%)	Mainly due to a decrease in the prepaid equity investment upon the Group's completion of acquiring Shanghai Jindun and Shenyang Jietong.
Other current liabilities	93,914	1,024,221	(90.83%)	Mainly due to the redemption of ultra-short-term financing bonds in the Reporting Period.
Debentures payable	4,020,152	2,019,275	99.09%	Mainly due to the issue of medium-term notes during the Reporting Period.
Other non-current liabilities	802,259	2,111,454	(62.00%)	Mainly due to the reversal of repurchase rights granted to relevant strategic investors by CIMC Vehicles following its successful listing on the Hong Kong Stock Exchange.

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	January to June 2019 (unaudited)	January to June 2018 (unaudited)	Change (%)	Reasons for the change
Sales expenses	952,981	1,382,057	(31.05%)	Mainly due to the reclassification of freight under the sales expenses to operating costs as a result of applying the revenue standard issued by the Ministry of Finance in December 2018 (no adjustment was made to the figures in the same period of the previous year).
Research and development expenses	537,657	327,229	64.31%	Mainly due to the increased investment in research and development during the Reporting Period.
Other income	428,719	120,979	254.37%	Mainly due to the increase in government grants received in the Reporting Period.
Investment (loss)/profit	89,208	195,771	(54.43%)	Mainly due to more income derived from the disposal of long-term equity investments in the same period of last year.
(Loss)/profit from changes in the fair value	(203,183)	(44,497)	(356.62%)	Mainly due to changes in the fair value of derivative financial instruments.
Non-operating income	165,859	21,893	657.59%	Mainly due to the compensation received for relocation and the increase in outstanding payables.

There was a material change in profit composition or profit source of the Company during the Reporting Period

Applicable Not applicable

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2. Composition of Principal Businesses during the Reporting Period

Unit: RMB thousand

	Revenue (unaudited)	Cost of sales (unaudited)	Gross profit margin (unaudited)	Changes in revenue from the same period of the previous year	Changes in cost of sales from the same period of the previous year	Changes in gross profit margin from the same period of the previous year
By industry/product						
Container	11,332,500	10,457,080	7.72%	(29.59%)	(28.59%)	(1.29%)
Road transportation vehicle	12,713,598	10,950,284	13.87%	10.27%	12.29%	(1.55%)
Energy, chemical and liquid food equipment	7,181,715	5,997,215	16.49%	16.10%	18.09%	(1.41%)
Offshore engineering	1,687,079	1,700,477	(0.79%)	114.04%	91.68%	11.76%
Airport facilities equipment	2,353,548	1,891,637	19.63%	34.55%	37.14%	(1.52%)
Logistics service	4,310,316	3,930,623	8.81%	6.10%	6.38%	(0.24%)
Financial business	940,284	643,956	31.51%	(10.36%)	6.05%	(10.60%)
Industrial city development	563,308	230,838	59.02%	252.17%	150.66%	16.59%
Heavy truck	1,111,420	1,058,081	4.80%	(31.40%)	(28.72%)	(3.57%)
Others	1,902,089	1,649,480	13.28%	(10.98%)	(6.53%)	(4.12%)
Combined offset	(1,378,128)	(1,562,461)	(13.38%)	(24.05%)	(14.63%)	(12.51%)
Total	42,717,729	36,947,210	13.51%	(1.93%)	(1.61%)	(0.28%)
By region (by receiver)						
China	21,305,095	-	-	9.19%	-	-
Asia (regions excluding China)	3,597,098	-	-	22.51%	-	-
America	9,172,197	-	-	(31.21%)	-	-
Europe	7,629,473	-	-	5.96%	-	-
Others	1,013,866	-	-	75.84%	-	-
Total	42,717,729	-	-	(1.93%)	-	-

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(III) Analysis of Non-Principal Businesses

√ Applicable □ Not applicable

Unit: RMB thousand

Item	Amount	Proportion in total profit	Explanation on the formation	Sustainable or not
Investment (loss)/profit	89,208	5.44%	Mainly the attributable share of profit or loss from joint venture and associates.	Not
Profit or loss from changes in fair value	(203,183)	(12.39%)	Mainly due to changes in the fair value of derivative financial instruments in the Reporting Period.	Not
Credit impairment losses	50,798	3.10%	Mainly due to the provision for impairment on accounts receivables and long-term receivables in the Reporting Period.	Not
Non-operating income	165,859	10.11%	Mainly due to the compensation received by Yangzhou Tonghua for relocation and the increase in outstanding payables in the Reporting Period.	Not
Non-operating expenses	44,220	2.70%	Mainly comprised of losses on debt restructuring and asset retirement and others in the Reporting Period.	Not

(IV) Assets and Liabilities

1. Significant Changes in Assets

Unit: RMB thousand

Item	As at the end of the Reporting Period		As at the end of the previous year		Changes from the end of the previous year to the end of the Reporting Period (%)	Description of material changes
	Amount	% of total assets	Amount	% of total assets		
Accounts receivable	20,411,426	12.48%	17,895,919	11.26%	14.06%	No significant change
Inventories	32,721,828	20.01%	27,335,324	17.20%	19.71%	No significant change
Long-term equity investments	5,430,838	3.32%	3,569,900	2.25%	52.13%	Mainly due to the newly increased investment in Shenzhen Taiziwan Shangtai Real Estate Co., Ltd.
Fixed assets	23,735,182	14.51%	23,188,737	14.59%	2.36%	No significant change
Construction in progress	24,654,338	15.07%	24,164,814	15.21%	2.03%	No significant change

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2. Assets and Liabilities Measured at Fair Value

Applicable Not applicable

Unit: RMB thousand

Item	Amount at the beginning of the Reporting Period	Profit or loss arising from changes in fair value for the Reporting Period	Cumulative changes in fair value recognised in equity	Impairment provision for the Reporting Period	Amount at the end of the Reporting Period
Financial assets:					
1. Financial assets held for trading	193,676	29,120	-	-	207,113
2. Derivative financial assets and other non-current financial assets	380,969	(232,143)	-	-	176,160
3. Hedging instruments	167	-	-	-	-
4. Investments in other equity instruments	984,155	-	315,734	-	1,179,871
5. Receivables financing	179,412	-	-	-	40,918
6. Other debt investments	30,581	-	1,948	-	30,821
Sub-total of financial assets	1,768,960	(203,023)	317,682	-	1,634,883
Investment properties	1,966,277	-	-	-	2,112,909
Total of the above	3,735,237	(203,023)	317,682	-	3,747,792
Financial liabilities	(376,599)	(160)	-	-	(459,760)
Total	3,358,638	(203,183)	317,682	-	3,288,032

Whether the measurement attributes of the main assets of the Company changed or not during the Reporting Period

Yes No

3. Restricted Asset Rights as at the End of the Reporting Period

For details of the restricted asset rights of the Group as at the end of the Reporting Period, please refer to note IV. 29 to "Chapter X 2019 Interim Financial Report (Unaudited)" in this Report.

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(V) Analysis of Investments during the Reporting Period

1. General Information

Applicable Not applicable

Investment amount in the Reporting Period (RMB' 000)	Investment amount in the same period of the previous year (RMB' 000)	Change
2,528,597	300,539	741.35%

2. Material Equity Investments during the Reporting Period

Applicable Not applicable

3. Material Non-equity Investments in Progress during the Reporting Period

Applicable Not applicable

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4. Financial Asset Investments

(1) Securities Investments

√ Applicable □ Not applicable

Unit: RMB thousand

Securities	Stock code	Abbreviation of stock name	Initial investment cost	Modes of accounting measurement	Book value at the beginning of the Reporting Period	Profit or loss arising from changes in fair value during the Reporting Period	Cumulative changes in fair value recognised in equity	Purchases during the Reporting Period	Sales for during the Reporting Period	Profit or loss during the Reporting Period	Book value at the end of the Reporting Period	Classification in accounting	Source of funds
H Shares	6198	Qingdao Port	128,589	At fair value	186,613	14,679	-	-	-	15,205	202,283	Financial assets held for trading	Self-owned fund
H Shares	368	Sinotrans Ship H	20,742	At fair value	7,063	14,441	-	-	7,113	(14,415)	-	Financial assets held for trading	Self-owned fund
Other securities investments held at the end of the period					-	-	-	-	-	-	-	-	-
Total			149,331		193,676	29,120	-	-	7,113	790	202,283	-	-
Announcement date of the Board approving securities investments			Nil										
Announcement date of the general meeting approving securities investments (if any)			Nil										

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(2) Derivatives Investments

√ Applicable □ Not applicable

Unit: RMB thousand

Name of the derivatives investment operator	Relationship with the Group	Connected transaction or not	Type of derivatives investment	Initial investment amount of derivatives investment	Date of commencement	Date of termination	Investment amount at the beginning of the Reporting Period	Amount acquired during the Reporting Period	Amount sold during the Reporting Period	Provision for impairment (if any)	Investment amount at the end of the Reporting Period	Proportion of Investment amount at the end of the period to net assets of the Company at the end of the Reporting Period	Actual profit or loss during the Reporting Period
HSBC, Standard Chartered and other banks	Nil	No	Foreign exchange forward contract	-	2018/4/24	2020/6/26	4,056,157	-	-	-	9,160,374	24.11%	(30,677)
HSBC, Standard Chartered and other banks	Nil	No	Foreign exchange option contract	-	2018/11/12	2020/3/13	3,868,222	-	-	-	1,942,372	5.11%	(19,328)
Standard Chartered, Deutsche Bank and other banks	Nil	No	Interest rate swap contract	-	2014/4/30	2021/6/28	11,792,942	-	-	-	13,830,754	36.41%	(236,760)
Standard Chartered	Nil	No	Currency swap contract	-	2018/8/14	2019/12/6	69,870	-	-	-	322,300	0.85%	1,191
Total				-			19,787,191	-	-	-	25,255,800	66.48%	(285,574)

Source of funds for derivatives investments

Self-owned funds

Litigation case (if applicable)

Not applicable

Disclosure date of approval of derivatives investment at a Board meeting (if any)

Nil

Disclosure date of approval of derivatives investment at a shareholders' meeting (if any)

Nil

Risk analysis regarding positions in derivatives during the Reporting Period and explanations of risk control measures (including but not limited to market risk, liquidity risk, credit risk, operation risk and legal risk etc.)

As at 30 June 2019, the derivative financial instruments held by the Group were mainly foreign exchange forward contracts, interest rate swap contracts, foreign exchange option contracts. The risks of interest rate swap contracts were closely related to the fluctuations of interest rate. The risks carried by foreign exchange forwards were connected with the market risks relating to exchange rates and the Group's cash flow certainty of foreign currency revenues in the future. The Group's control measures on the derivative financial instruments were mainly reflected in: making prudent selection and determination on the type and quantity of newly-added derivative financial instruments; as for derivatives transactions, the Group formulated rigorous internal approval systems and business operational processes, and clarified the approval and authorisation procedures for all levels involved, so as to control the associated risks.

Changes in market prices or product fair values of derivatives invested during the Reporting Period, where specific methods and relevant assumptions and parameters used shall be disclosed in the analysis of fair values of derivatives

From January to June 2019, the Group's profit or loss arising from changes in fair values of the derivative financial instruments was RMB (285.574) million. Fair values of the derivative financial instruments of the Group were determined based on market prices of external financial institutions.

Explanations of any significant changes in the Company's accounting policies and specific accounting principles on derivatives between the Reporting Period and the last reporting period

No

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

The Company invested in exchange rate derivatives for the purpose of the day-to-day international business operations of the Company in order to smooth or lower the uncertainty impact of the operations of the Company due to the change in exchange rates and interest rates while adhering to the fundamental principle of value-preserving and prohibiting speculative transaction. The Company has attached great importance and continuously enhanced the management of exchange rate derivative transactions as well as developed and continuously improved relevant management systems. The relevant approval process is compliant with the requirements of the laws and regulations and the Articles of Association and without prejudice to the interests of the Company and the shareholders, in particular, the minority shareholders.

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(VI) Disposal of Substantial Assets and Equity Interests

1. Disposal of Substantial Assets

Applicable Not applicable

2. Disposal of Substantial Equity Interests

Applicable Not applicable

(VII) Analysis of Principal Subsidiaries and Associates

Applicable Not applicable

Details on acquiring and disposing subsidiaries during the Reporting Period

Applicable Not applicable

Company name	Means of acquiring and disposing subsidiaries during the Reporting Period	Impact on the operations and results as a whole
Shanghai Jindun	Acquisition of shares	No significant impact
Shenyang Jietong	Acquisition of shares	No significant impact
Ningxia Changming Natural Gas Development Co., Ltd.	Acquisition of shares	No significant impact

Details on the principal subsidiaries and associates

Please refer to the relevant information contained in “II. Review of Principal Businesses during the Reporting Period” under “Chapter III Report of the Board” of this Report for the details of operations of principal holding subsidiaries of the Group during the Reporting Period. For details of the subsidiaries which were newly incorporated and no longer incorporated into the scope of combination during the Reporting Period, please refer to note V to “Chapter X 2019 Interim Financial Report (Unaudited)” in this Report.

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Subsidiaries or associates contributing to more than 10% of the Company's net profits

Applicable Not applicable

Unit: RMB thousand

Name of company	Type of company	Principal business	Registered capital	Total assets as at the end of the Reporting Period	Net asset as at the end of the Reporting Period	Operating income during the Reporting Period	Operating profit during the Reporting Period	Net profit during the Reporting Period
CIMC Enric	Subsidiary	Energy, chemical and liquid food equipment business	19,989	15,477,665	6,880,367	6,584,418	505,899	387,433
CIMC Vehicles	Subsidiary	Mainly manufacturing and sales of semi-trailers and truck bodies for specialty vehicles	1,500,000	16,857,180	8,262,698	12,605,058	976,263	827,525
CIMC Tianda	Subsidiary	Airport facilities equipment, fire and rescue vehicles, automatic logistics system business and smart parking business	123,522	7,781,479	3,578,800	1,582,790	134,795	94,739

Note: CIMC Enric, CIMC Vehicles and CIMC Tianda are companies listed on the Hong Kong Stock Exchange and the financial data in the above table are extracted from their 2019 interim results announcements respectively.

(VIII) Structured Body Controlled by the Company

Applicable Not applicable

(IX) Forecast on the Operating Results for the Period from January to September 2019

Warning and explanation in the forecast of the possible aggregate net profits from the beginning of the year to the end of the next reporting period becoming a loss or a significant change compared to the same period of the previous year

Applicable Not applicable

(X) Risk Exposures of the Company and Responsive Initiatives

Please refer to the relevant information contained in sections "4. Main Risk Factors in the Future Development of the Group" and "3. Overall Operation Targets and Initiatives for Main Business Segments" of "III. Future Development and Outlook" under "Chapter III Report of the Board" of this Report for the details of risk exposures of the Company and responsive initiatives.

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(XI) Reception of Research, Communications and Interviews

√ Applicable □ Not applicable

Date of reception	Venue of reception	Mode of reception	Type of party received	Party received	Main contents discussed and information provided
17 January 2019	Office of the Company	Tele conferencing	Institutional investor	United Vision Fund	Principal business performance, investment progress, recent industrial development performance and industry outlook
28 March 2019	Office of the Company	Results press conference	Same as above	Haitong Securities, CR Yuanta Fund, Guoyuan Securities Hong Kong, GF Securities, CICC, Huajin Securities, CITIC Securities, ZTF Securities, Founder Securities, Sealand Securities, Guosen Securities, etc.	2018 annual results
26 April 2019	Office of the Company	Tele conference	Same as above	Soochow Securities and its investors	2019 first quarterly results
9 May 2019	Office of the Company	Tele conference	Same as above	Citibank	Principal business performance, investment progress, recent industrial development performance and industry outlook
10 June 2019	Office of the Company	Tele conference	Same as above	Guosheng Securities	Same as above
10 July 2019	Office of the Company	Tele conference	Same as above	UBS AG	Same as above

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The following contents are the financial resource review prepared in accordance with the relevant provisions of the Hong Kong Listing Rules. The following discussion and analysis shall be read together with other chapters and the 2019 Interim Financial Report (unaudited) of the Group set out in this Report.

CHANGES IN ACCOUNTING POLICIES FOR THE REPORTING PERIOD

For details of the changes in accounting policies of the Group during the Reporting Period, please refer to note II. 32 of "Chapter X 2019 Interim Financial Report (Unaudited)" in this Report.

CONSOLIDATED OPERATING RESULTS

During the Reporting Period, the Group recorded revenue of RMB42,717.729 million (same period in 2018: RMB43,560.398 million), representing a year-on-year decrease of 1.93%, and profit attributable to shareholders and other equity holders of the Company of RMB679.829 million (same period in 2018: RMB965.397 million), representing a year-on-year decrease of 29.58%. For details, please refer to relevant information set out in the chapters headed "Chapter II Summary of Accounting Data and Financial Indicators" and "II. Review of Principal Businesses during the Reporting Period" under "Chapter III Report of the Board" in this Report.

SEGMENT INFORMATION

For details of the segment information of the Group during the Reporting Period, please refer to "II. Review of Principal Businesses during the Reporting Period" under "Chapter III Report of the Board" and note XIII of "Chapter X 2019 Interim Financial Report (Unaudited)" in this Report.

GROSS PROFIT MARGIN AND PROFITABILITY

During the Reporting Period, the gross profit margin of the Group was 13.51% (same period in 2018: 13.79%), representing a year-on-year decrease of 0.28%. Among the principal businesses, the gross profit margin of offshore engineering business and industrial city development business increased, the gross profit margin of financial business significantly decreased and the gross profit margin of the remaining segments remained basically stable or slightly decreased as compared with the same period of the previous year. For details, please refer to "2. Composition of Principal Businesses during the Reporting Period" of "(II) Analysis of Principal Businesses" of "II. Operation Discussion and Analysis" of "IV. Operation Discussion and Analysis Prepared in Accordance with the Domestic Securities Regulatory Rules" in this Report.

NON-OPERATING INCOME

During the Reporting Period, the non-operating income of the Group was RMB165.859 million (same period in 2018: RMB21.893 million), representing a year-on-year increase of 657.59%, which were mainly due to the increase in the relocation compensation received and unpayable payables during the Reporting Period. For details, please refer to note IV. 66 of "Chapter X 2019 Interim Financial Report (Unaudited)" in this Report.

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RESEARCH AND DEVELOPMENT EXPENSES

During the Reporting Period, the research and development expenses of the Group were RMB537.657 million (same period in 2018: RMB327.229 million), representing a year-on-year increase of 64.31%, which were mainly due to the increase in amount of R&D investments for the current period. For details, please refer to note IV. 57 of "Chapter X 2019 Interim Financial Report (Unaudited)" in this Report.

SALES EXPENSES

During the Reporting Period, the sales expenses of the Group were RMB952.981 million (same period in 2018: RMB1,382.057 million), representing a year-on-year decrease of 31.05%, which were mainly due to the revenue standards application case published by the Ministry of Finance in December 2018, which reclassified the freight charges in sales expenses into operating costs (the figures in corresponding period of previous year are not under adjustment). For details, please refer to note IV. 55 of "Chapter X 2019 Interim Financial Report (Unaudited)" in this Report.

FINANCIAL EXPENSES

During the Reporting Period, the financial expenses of the Group were RMB561.019 million (same period in 2018: RMB392.524 million), representing a year-on-year increase of 42.93%, which were mainly due to the increase in interest expenses and the decrease in exchange gains. For details, please refer to note IV. 58 of "Chapter X 2019 Interim Financial Report (Unaudited)" in this Report.

MANAGEMENT EXPENSES

During the Reporting Period, the Group's management expenses amounted to RMB2,189.191 million (same period in 2018: RMB2,072.524 million), representing a year-on-year increase 5.63%. For details, please refer to note IV. 56 of "Chapter X 2019 Interim Financial Report (Unaudited)" in this Report.

TAX EXPENSE

During the Reporting Period, the income tax expenses of the Group amounted to RMB537.936 million (same period in 2018: RMB513.854 million), representing a year-on-year increase of 4.69%. For details, please refer to note IV. 68 of "Chapter X 2019 Interim Financial Report (Unaudited)" in this Report.

MINORITY PROFIT OR LOSS

During the Reporting Period, the minority profit or loss of the Group was RMB422.391 million (same period in 2018: RMB350.560 million), representing a year-on-year increase of 20.49%.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's cash at bank and on hand primarily consist of cash and bank deposits. As at 30 June 2019, the Group's cash at bank and on hand amounted to RMB6,579.908 million (31 December 2018: RMB9,729.152 million), representing an decrease of 32.37% as compared with the end of the previous year. For details, please refer to note IV. 1 of "Chapter X 2019 Interim Financial Report (Unaudited)" in this Report. The Group's funds mainly derived from the funds generated from operation, bank loans and other borrowings. The Group has always adopted prudent financial management policies and maintained sufficient and appropriate cash on hand to repay the bank loans falling due and ensure business development.

During the Reporting Period, the Group recorded net cash flows from operating activities of RMB (2,102.412) million (same period in 2018: RMB(856.239) million), net cash flows from investing activities of RMB (3,125.255) million (same period in 2018: RMB(2,277.508) million) and net cash flows from financing activities of RMB427.099 million (same period in 2018: RMB2,745.243 million). As at the end of the Reporting Period, the balance of cash and cash equivalents held by the Group was RMB5,366.704 million (the same period of the previous year: RMB4,643.026 million) and the main currencies were RMB and US dollar.

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BANK LOANS AND OTHER BORROWINGS

As at 30 June 2019, the Group's short-term borrowings, non-current borrowings due within one year, debentures payable due within one year, long-term borrowings, debentures payable and other current liabilities (issuance of super & short-term commercial papers) in aggregate amounted to RMB65,126.939 million (31 December 2018: RMB62,267.518 million).

Unit: RMB thousand

	As at 30 June 2019 (unaudited)	As at 31 December 2018 (audited)
Short-term borrowings	23,802,051	19,898,221
Non-current borrowings due within one year	1,498,086	5,593,749
Debentures payable due within one year	7,986,500	7,986,500
Long-term borrowings	27,820,150	25,769,773
Debentures payable	4,020,152	2,019,275
Other current liabilities (issuance of super & short-term commercial papers)	–	1,000,000
Total	65,126,939	62,267,518

In the first half of 2019, the net bank loans appropriated by the Group amounted to RMB1,147.817 million (same period in 2018: RMB5,911.304 million), representing a year-on-year decrease of 80.58%. The Group's bank borrowings are mainly denominated in US dollars, with the interest payments computed using fixed rates and floating rates. As at the end of the Reporting Period, the Group's fixed-rate bank borrowings amounted to approximately RMB17,482.142 million (31 December 2018: approximately RMB15,151.592 million). As at the end of the Reporting Period, the long-term borrowings were mainly due within five years; debentures payable were mainly due within three years. There is no seasonal feature in respect of the Group's need for borrowing, which is mainly based on the Group's capital and business needs. For details, please refer to note IV. 30, IV. 39, IV. 40, IV. 41, IV. 42 and XIV. 3 of "Chapter X 2019 Interim Financial Report (Unaudited)" in this Report.

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OTHER EQUITY INSTRUMENTS

For details, please refer to note IV. 48 of “Chapter X 2019 Interim Financial Report (Unaudited)” in this Report.

CAPITAL STRUCTURE

The Group’s capital structure consists of equity interest attributable to shareholders and liabilities. As at 30 June 2019, the Group’s equity interest attributable to shareholders amounted to RMB53,685.786 million (31 December 2018: RMB52,402.988 million) in aggregate, total liabilities amounted to RMB109,877.484 million (31 December 2018: RMB106,480.975 million) and total assets amounted to RMB163,563.270 million (31 December 2018: RMB158,883.963 million). The Group is committed to maintaining an appropriate combination of equity and debt in order to maintain an effective capital structure and provide maximum returns for Shareholders.

As at the end of the Reporting Period, the Group’s gearing ratio was 67.18% (31 December 2018: 67.02%), which increased by 0.16% as compared with the end of the previous year. (Calculation of the gearing ratio: based on the Group’s total liabilities divided by our total assets as at the respective dates.)

FOREIGN EXCHANGE RISK AND RELEVANT HEDGE

The major currency of the Group’s business revenue is US dollars, while most of its expenditure is made in RMB. As the exchange rates of RMB are affected by domestic and international economic and political situations, and the demand and supply of RMB, the Group is exposed to potential foreign exchange risk arising from the exchange rate fluctuation in RMB against other currencies, which may affect the Group’s operating results and financial condition. The management of the Group has closely monitored its foreign exchange risk and taken appropriate measures to avoid foreign exchange risk. For details of the foreign exchange risk and relevant hedging contracts held by the Group during the Reporting Period, please refer to note IV. 3, IV. 18, IV. 46 and XIV. 4 of “Chapter X 2019 Interim Financial Report (Unaudited)” in this Report.

INTEREST RATE RISK

The Group is exposed to the market interest rate change risk relating to its interest-bearing bank loans and other borrowings. To minimise the impact of interest rate risk, the Group entered into interest rate swap contracts with certain banks.

The Group’s interest rate risks mainly arise from long-term interest-bearing debts including long-term bank borrowings and debentures payable. Financial liabilities issued at floating interest rates expose the Group to interest rate risk of cash flow while financial liabilities issued at fixed interest rates expose the Group to interest rate risk of fair value. The Group determines the proportion of contracts of fixed interest rate and floating interest rate depending on then market conditions. As at 30 June 2019, the Group’s long-term interest-bearing debts are mainly comprised of contracts of floating interest rate denominated in USD amounting to RMB22,845.024 million (31 December 2018: RMB20,674.367 million).

As at 30 June 2019, if the interest rates of borrowings with floating interest rates increased or decreased by 25 basis points with all other factors keeping the same as previously, the Group’s net profit and equity will decrease or increase by RMB54.843 million (31 December 2018: RMB50.052 million). For details, please refer to note XIV. 3 of “Chapter X 2019 Interim Financial Report (Unaudited)” in this report.

CREDIT RISK

The Group’s exposure to credit risk is mainly attributable to cash at bank and on hand, accounts receivables and derivative financial instruments for the purpose of hedging. Management will monitor these credit risk exposures on an ongoing basis. For details, please refer to note IVX. 1 and IVX. 2 of “Chapter X 2019 Interim Financial Report (Unaudited)” in this Report.

PLEDGE OF ASSETS

As at 30 June 2019, the restricted assets of the Group totally amounted to RMB10,554.531 million (31 December 2018: RMB9,741.784 million), representing an increase of 8.34% as compared with the end of the previous year. For details, please refer to note IV. 29 of “Chapter X 2019 Interim Financial Report (Unaudited)” in this Report.

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CAPITAL COMMITMENTS

As at 30 June 2019, the Group had capital expenditure commitments of approximately RMB165.957 million (31 December 2018: approximately RMB2,010.583 million), representing an decrease of 91.75% as compared with the end of the previous year, which were mainly used as fixed assets purchase contracts which have been entered into but not performed or performed partially and construction of vessels for sale or rent purpose. For details, please refer to note XI. 1. (1) of "Chapter X 2019 Interim Financial Report (Unaudited)" in this Report.

CONTINGENT LIABILITY

As at 30 June 2019, the Group had no contingent liabilities (31 December 2018: Nil).

SIGNIFICANT INVESTMENTS AND MAJOR ACQUISITIONS AND DISPOSALS RELATING TO SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

During the Reporting Period, there were no significant investments and major acquisitions and disposals relating to subsidiaries, associated companies and joint ventures. For details, please refer to notes V and VI of "Chapter X 2019 Interim Financial Report (Unaudited)" in this Report.

FUTURE PLANS FOR SIGNIFICANT INVESTMENTS OR ACQUISITION OF CAPITAL ASSETS AND EXPECTED SOURCES OF FUNDING

For the investment plan of the principal businesses of the Group in the second half of the year, please refer to "3. Overall Operation Targets and Initiatives for Main Business Segments" of "III. Future Development and Outlook" under "Chapter III Report of the Board" in this Report. The operating and capital expenditures of the Group are mainly financed by our own fund and external financing. The Group will take a prudent attitude to enhance its operating cash flow. The Group has sufficient sources of funding to meet the requirements of capital expenditure and working capital.

CAPITAL EXPENDITURE AND FINANCING PLAN

Based on changes in the economic situation and operating environment, as well as the requirements of the Group's strategic upgrade and business development, the expected capital expenditure of the Group in 2019 was approximately RMB8.60 billion, among which approximately RMB2.64 billion was actually expensed in the first half of this year, which was mainly used for acquisition of fixed assets, intangible assets and other long-term assets. In the second half of the year, the Group will continue to consider various types of financing arrangements.

USE OF PROCEEDS

CIMC Tianda, a subsidiary of the Group, issued its shares at HK\$0.366 per to State-Owned Enterprise Structural Adjustment China Merchants Buyout Fund Partnership (Limited Partnership) (深圳國調招商併購股權投資基金合夥企業(有限合夥)), a limited partnership established in the PRC (the "Subscription") pursuant to the subscription Agreement dated 6 February 2018. The Subscription was completed on 4 May 2018. The net proceeds from the Subscription was approximately HK\$243.7 million (equivalent to approximately RMB196.4 million) (the "Net Proceeds"). The proceeds are mainly used for: (1) construction of a new PBB factory in the United States of America, (2) expansion of the PBB business of Pteris Global Limited and its subsidiaries into overseas market, (3) research and development activities and (4) general working capital. As at 30 June 2019, the net proceeds which were not yet utilized by CIMC-TianDa amounted to RMB78.1 million.

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EMPLOYEES, TRAINING AND SHARE OPTION INCENTIVE SCHEMES

As at 30 June 2019, the Group had 50,865 employees in total (the end of the same period in 2018: 51,130) in the PRC. The total staff cost of the Group during the Reporting Period, including Directors' remuneration, contribution to the retirement benefit schemes and share option schemes, amounted to RMB4,016.322 million (same period in 2018: RMB3,662.658 million), representing a year-on-year increase of 9.66%.

The Company has built a multi-level and composite talent training system with its core human resources philosophy of "people-oriented and mutual business" (以人為本、共同事業), including: new employees training, general skills training, professional training, leadership training programme and international talent training programme. The Group provides salary and bonus to its employees based on their performance, qualification, experience and market earnings for incentive purpose. For details of the A Share(s) Share Option Incentive Scheme adopted by the Company, please refer to "XII. Implementation of the Company's Share Option Incentive Scheme, Employee Stock Ownership Scheme or Other Employee Incentive Measures" under "Chapter VI Significant Events" in this Report. Other benefits include contribution to the governmental pension schemes and insurance plans for employees in mainland China. The Group regularly reviews its remuneration policies, including the amount of remuneration payable to Directors, and strives to formulate an improved incentive and assessment mechanism based on the operating results of the Group and market conditions.

DIVIDEND DISTRIBUTION

The Board proposed that no interim cash dividend for 2019 shall be distributed, no bonus shall be issued, and no share shall be converted from reserves into share capital (same period in 2018: Nil).

SOCIAL RESPONSIBILITIES

During the Reporting Period, the Group maintained a stable and healthy development and constantly performed corporate social responsibilities by making contributions to the economic growth, employment and development of the society. The Company has published the 2018 Social Responsibility & Environmental, Social and Governance Report on the website of the Hong Kong Stock Exchange on 27 March 2019. In the future, the Group will continue to deepen industrial transformation and upgrade. The Group pays attention to quality growth, so as to provide high-quality products and services to its customers, provide more training and rewards to its employees, and create greater value for Shareholders.

EVENTS AFTER THE BALANCE SHEET DATE

For details about the events after the balance sheet date of the Reporting Period, please refer to note "XIX. Significant Events After The Reporting Period" of "Chapter VI Significant Events" in this Report.

DISCLOSURE REQUIRED UNDER THE HONG KONG LISTING RULES

In accordance with paragraph 40 of Appendix 16 of the Hong Kong Listing Rules, the Company confirms that, save as disclosed herein, there has been no material change in the current information regarding the Company from the information disclosed in the 2018 Annual Report of the Company.

Chapter VI Significant Events

I. COMPANY GOVERNANCE AND CORPORATE GOVERNANCE

(I) Company Governance

During the Reporting Period, the Group continued to promote corporate governance and maintained normal operation in strict accordance with laws and regulations of the PRC and the regulations and documents issued by regulatory authorities including the CSRC, CSRC Shenzhen, the Shenzhen Stock Exchange, the Hong Kong Securities and Futures Commission and the Hong Kong Stock Exchange. The Group continuously deepened and implemented the management and control requirements of the comprehensive risk management system by focusing on major risk special governance and making up for weakness of risk control and stressing on improvement of the risk control awareness and risk control performance of core cadres.

During the Reporting Period, the system identified external regulatory requirements and internal and external risk events through promoting pilot project, and exported a list of major risks for the Group and the two pilot sectors combined with the industry characteristics of the pilot sector. Targeted to develop special governance in respect of major risks of the pilot sectors, the Group refined and summarized the unified risk management tools and methods of the Group; released external regulatory trends, external risk cases and internal major audit findings on a quarterly basis, and deployed self-inspection and rectification of each member company by launching a closed-loop management mechanism for quarterly audit summaries; built a risk control information platform of the Group, promoted the sharing of internal and external risk control information and highlights of risk control, rapid and horizontal display of major risks, and promote the self-management of risk control at all levels through series of kanban; promoted the establishment of the position certification mechanism for risk control in related fields by developing and preparing series of procurement, engineering and other risk control guidelines; introduced the risk control tips for overseas enterprises by strengthening the compliance risk management and control of international business. In the second half of the year, the Group will continue to introduce risk control guidelines on sales, funds and other sectors to further strengthen special audits in procurement, engineering and other fields, increases accountability to promote special governance in respect of major risks, and strengthens group risk control to enhance the overall risk control level of the Group.

During the Reporting Period, the Group took the management of enterprises according to laws as an important part in its internal control work. Certain systems and rules have been updated pursuant to the requirements of the securities regulators in the mainland China and Hong Kong, which include the Articles of Association, the Rules of Procedures for the General Meeting, the Rules of Procedures for the Board and the Rules of Procedures for the Supervisory Committee.

Chapter VI Significant Events

(II) Corporate Governance and Relevant Information

1. Compliance with the Principles and Code Provisions under the Corporate Governance Code by the Company during the Reporting Period

The Board is committed to raising the standard of corporate governance of the Group and believes that good corporate governance helps the Group to safeguard the interests of the Shareholders and improve its business performance. The Company has complied with the code provisions under the Corporate Governance Code set out in Appendix 14 of the Hong Kong Listing Rules during the Reporting Period, except for slight deviation from the code provisions A.1.1, A.2.7, A.6.7 and E.1.2. The latest corporate governance report of the Company was set out in the Social Responsibility & Environmental, Social and Governance Report 2018. Deviations during the Reporting Period have been disclosed in relevant paragraphs below.

(1) *The Board*

During the Reporting Period, the terms of office of the eighth session of Board was expired. On 3 June 2019, as considered and approved at the 2018 Annual General Meeting, Mr. Wang Hong, Mr. Liu Chong, Mr. Hu Xianfu and Mr. Ming Dong were appointed as non-executive Directors, Mr. Mai Boliang was appointed as an executive Director, Mr. He Jiale, Mr. Pan Zhengqi and Ms. Lui Fung Mei Yee, Mabel were appointed as independent non-executive Directors. On the same date, as considered at the first meeting of the ninth session of the Board in 2019, the Director Wang Hong was elected as the chairman of the ninth session of the Board of the company, and the Director Liu Chong was elected as the Vice chairman of the ninth session of Board.

During the Reporting Period, the eighth session of the Board, comprising 8 Directors, held 8 Board meetings, of which 1 meeting was held on-site, 7 meetings were held in a way of written review resolutions with 41 resolutions being reviewed; the 9th session of the Board, comprising 8 Directors, held 2 Board meetings, of which 0 meeting was held on-site, 2 meetings were held in a way of written review resolutions with 2 resolutions reviewed. In a total of 10 Board meetings, 1 of which was regular meeting and 9 of which were extraordinary meetings.

Save for the regular meetings, in the course of the management and supervision of the Group's business operations, the Company's executive Directors have brought major business or management matters to the attention of the Board to hold extraordinary meetings from time to time, and relevant Board decisions were made in the form of written resolutions by all Directors.

The Board is elected by the general meeting of the Company through voting and is held accountable to the general meeting. The primary responsibilities of the Board are to provide strategic guidance to the Company, exercise effective supervision over the senior management, ensure that the Company's interests are protected and are accountable to the Shareholders. As considered and approved at the 2019 first extraordinary general meeting held on 15 January 2019, the Company has amended the Rules of Procedures of the Board, the full text of which was published on Cninfo website (www.cninfo.com.cn), the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company's website (www.cimc.com) on 15 January 2019.

Chapter VI Significant Events

Code provision A.1.1 requires that “The board should meet regularly and Board meetings should be held at least four times a year at approximately quarterly intervals. It is expected that every regular meeting of the Board will have a majority of directors who are entitled to attend the meeting to attend by person, or participate actively through electronic communication methods. Therefore, regular meetings of the Board shall not include the obtaining such approval from the Board by means of circulation of written resolutions.”. During the Reporting Period, the Company held 10 Board meetings, of which 1 meeting was held on-site. The executive Directors manage and monitor the business operation and propose to hold Board meetings to have discussions and make decisions on the Group’s major business or management affairs from time to time. Accordingly, certain relevant decisions were made by all Directors by way of written resolutions. The Directors are of the opinion that, the fairness and validity of the decisions made for the business had adequate assurance. The Company will strive to put effective corporate governance practices into practice in the future.

(2) Board Committees

During the Reporting Period, the election of new session of the special committees of the Board was also successfully completed. During the Reporting Period, 11 meetings were held by the special committees of the Board with 18 letters of opinions from Board Committees passed.

(3) The Supervisory Committee

During the Reporting Period, the term of office of the eighth session of the Supervisory Committee was expired. On 3 June 2019, as considered and approved at the 2018 Annual General Meeting, Mr. Lin Feng and Mr. Lou Dongyang were appointed as shareholder representative Supervisors of the ninth session of the Supervisory Committee. On the same date, as considered and approved at the general staff meeting, Mr. Xiong Bo was elected as a staff representative Supervisor of the ninth session of the Supervisory Committee. On 3 June 2019, as considered at the first meeting of the ninth session of the Supervisory Committee in 2019, Mr. Lin Feng was elected as the chairman of the Supervisory Committee.

During the Reporting Period, there are 3 Supervisors of the eighth session of the Supervisory Committee, and two meetings of the eighth session of the Supervisory Committee were held with nine resolutions reviewed. There are 3 supervisors at the ninth session of the Supervisory Committee, and one meeting of the ninth session of the Supervisory Committee was held with one resolution reviewed. The Supervisors attended 10 meetings of the Board. The Supervisor Xiong Bo attended 6 general meetings.

On 15 January 2019, as considered and approved at the first extraordinary general meeting in 2019, the Company has amended the Rules of Procedure for the Supervisory Committee, the full text of which was published on Cninfo website (www.cninfo.com.cn), the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company’s website (www.cimc.com) on 15 January 2019.

(4) General meeting

On 15 January 2019, the Company held the first extraordinary general meeting in 2019, the first A share class meeting in 2019 and the first H share class meeting in 2019. On 3 June 2019, the Company held the 2018 annual general meeting, the second A share class meeting in 2019 and the second H share class meeting in 2019. The notice, convening, holding and voting procedures of such meetings were in compliance with the relevant requirements of the Company Law of the People’s Republic of China, the Articles of Association and the Hong Kong Listing Rules. As considered and approved at the first 2019 extraordinary general meeting, the Company amended the Rules of Procedures for the General Meeting, the full text of which was published on China Securities Journal, Shanghai Securities News and Securities Times and on Cninfo website (www.cninfo.com.cn) on 15 January 2019, and on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.cimc.com).

Chapter VI Significant Events

The independent non-executive Directors of the eighth session of the Board, Mr. Pan Chengwei, Mr. Pan Zhengqi, Mr. Wong Kwai Huen, Albert and Supervisor Mr. Xiong Bo attended the first extraordinary general meeting in 2019, the first A share class meeting in 2019 and the first H share class meeting in 2019; the non-executive Director Mr. Wang Hong (chairman), the executive Director, CEO and President Mr. Mai Boliang, and non-executive Directors Mr. Wang Yuhang, Mr. Hu Xianfu, and Mr. Liu Chong of the eighth session of the Board were unable to attend these meetings due to other important affairs at relevant time. The non-executive Director Mr. Wang Hong (chairman), the executive Director, CEO and President Mr. Mai Boliang, and independent non-executive Directors Mr. Pan Zhengqi, Mr. Wong Kwai Huen Albert and Supervisor Mr. Xiong Bo attended the 2018 annual general meeting, the second A share class meeting in 2019 and the second H share class meeting in 2019; the non-executive Directors of the eighth session of the Board, Mr. Wang Yuhang, Mr. Hu Xianfu, Mr. Liu Chong and the independent non-executive Director Mr. Pan Chengwei were unable to attend these meetings due to other important affairs in relevant time.

(5) *Intends to amend the Articles of Association*

As considered and approved at the first extraordinary general meeting in 2019 held on 15 January 2019, the Company has amended the Articles of Association, the full text of which was published on Cninfo website (www.cninfo.com.cn), the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company's website (www.cimc.com) on 15 January 2019.

(6) *Updates regarding to deviations from code provisions as set out in the 2018 annual report of the Group*

Code provision A.2.7 requires that "The chairman of the Board shall convene at least one meeting every year with the non-executive Directors (including independent non-executive Directors) without the executive Directors present". The Company has only one executive Director, and the Company's daily business operation is managed and monitored by the executive Director. The Directors consider that during the Reporting Period there was no meeting in which the executive Director needs to be abstained. Therefore, the Company has not held a Board meeting without the executive Director present during the Reporting Period.

Code provision A.6.7 requires that "Independent non-executive Directors and other non-executive Directors should also attend general meetings and develop a balanced understanding of the views of shareholders". Three independent non-executive Directors of the eighth session of the Board Mr. Pan Chengwei, Mr. Pan Zhengqi and Mr. Wong Kwai Huen, Albert attended the first extraordinary general meeting in 2019 held during the Reporting Period, the first A share class meeting in 2019 and the first H share class meeting in 2019; the non-executive Directors Mr. Wang Hong (chairman), Mr. Wang Yuhang, Mr. Hu Xianfu and Mr. Liu Chong of the eighth session of the Board of the Company were unable to attend the general meeting due to other important affairs at relevant times. The non-executive Director Mr. Wang Hong (chairman), the executive Director, CEO and President Mr. Mai Boliang, and independent Non-executive Directors Mr. Pan Zhengqi and Mr. Wong Kwai Huen Albert attended the 2018 annual general meeting, the second A share class meeting in 2019 and the second H share class meeting in 2019; the non-executive Directors of the eighth session of the Board, Mr. Wang Yuhang, Mr. Hu Xianfu, Mr. Liu Chong and the independent non-executive Director Mr. Pan Chengwei were unable to attend these meetings due to other important affairs at relevant time.

Chapter VI Significant Events

Code provision E.1.2 requires that “The chairman of the Board should attend the annual general meeting. He should also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend”. The non-executive Director of the eighth session of the Board of the Company, Mr. Wang Hong (Chairman and chairman of Strategy Committee of the Board), independent Non-executive Directors Mr. Pan Zhengqi (chairman of the Remuneration Committee of the Board) and Mr. Wong Kwai Huen Albert (chairman of the Nomination Committee of the Board) attended the 2018 annual general meeting held during the Reporting Period, the second A share class meeting in 2019 and the second H share class meeting in 2019; the non-executive Directors of the eighth session of the Board, Mr. Wang Yuhang, Mr. Liu Chong, Mr. Hu Xianfu (chairman of the Risk Management Committee of the Board), and the independent non-executive Director Mr. Pan Chengwei (chairman of the Audit Committee of the Board) of the Company were unable to attend these meetings due to other important affairs in relevant time.

2. Compliance with the Model Code by Directors and Supervisors of the Company for Securities Transactions

The Company has adopted the standards prescribed in the Model Code as the code of conduct in dealing in securities by Directors and Supervisors. After inquiries to all the Directors and Supervisors, all the Directors and Supervisors confirmed that they had fully complied with the requirements in the Model Code during the Reporting Period.

3. Audit Committee

The Company has appointed three independent non-executive Directors and established the audit committee pursuant to the requirements of the Hong Kong Listing Rules. The members of the audit committee are Mr. He Jiale (chairman of the audit committee with professional qualifications and experience in relation to financial management such as accounting), Mr. Pan Zhengqi and Ms. Lui Fung Mei Yee.

On 27 August 2019, the audit committee reviewed the unaudited 2019 Interim Financial Report of the Group for the six months ended 30 June 2019, and agreed to present the same to the Board for consideration and approval.

4. Disclosure Pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules

For the changes in information of Directors, Supervisors and chief executive officer of the Company to be disclosed pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules during the Reporting Period, please refer to “IV. Changes in Information of Directors and Supervisors” under “Chapter VIII Information on Directors, Supervisors and Senior Management”. Except for such disclosure, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules.

Chapter VI Significant Events

II. RELEVANT SITUATIONS OF ANNUAL GENERAL MEETING AND EXTRAORDINARY GENERAL MEETING CONVENED DURING THE REPORTING PERIOD

1. General Meetings Convened during the Reporting Period

Session of meeting	Type of meeting	Proportion of investors' participation	Date	Notice date	Disclosure date	Disclosure index
First 2019 extraordinary general meeting	Extraordinary general meeting	49.1305%	15 January 2019	29 November 2018	15 January 2019	
First A share class meeting in 2019	Extraordinary general meeting	34.5038%	15 January 2019	29 November 2018	15 January 2019	
First H share class meeting in 2019	Extraordinary general meeting	59.9384%	15 January 2019	29 November 2018	15 January 2019	www.cninfo.com.cn
2018 annual general meeting	Annual general meeting	49.2568%	3 June 2019	12 April 2019 and 17 May 2019	3 June 2019	www.hkexnews.hk
Second A share class meeting in 2019	Annual general meeting	34.4933%	3 June 2019	12 April 2019 and 17 May 2019	3 June 2019	
Second H share class meeting in 2019	Annual general meeting	60.1577%	3 June 2019	12 April 2019 and 17 May 2019	3 June 2019	

2. The Extraordinary General Meetings Requested by the Shareholders of Preference Shares Who Regained the Voting Right

Applicable Not applicable

III. PROFIT DISTRIBUTION AND SHARE CAPITAL INCREASE BY WAY OF TRANSFER FROM CAPITAL RESERVES DURING THE REPORTING PERIOD

Applicable Not applicable

The Company proposed not to distribute cash dividend, bonus shares or increase share capital by way of transfer from capital reserves for the six months ended 30 June 2019 (same period in 2018: Nil).

Implementation of Profit Distribution of the Company during the Reporting Period

During the Reporting Period, the proposed profit distribution plan for 2018 was passed at the 2018 annual general meeting, the second A share class meeting in 2019 and the second H share class meeting in 2019 of the Company on 3 June 2019 in accordance with the relevant requirements of the Articles of Association: the Company to pay a cash dividend of RMB0.55 (inclusive of tax) for every share, no bonus shares will be issued, and additional 2 new shares will be issued to all Shareholders for every 10 shares being held by way of conversion of capital surplus, which is calculated based on the total share capital of the Company as at the book closure date of dividend distribution for 2018. (2017: RMB0.27 for every share (inclusive of tax), no bonus shall be issued, and no share shall be converted into share capital by way of capital surplus.) The Company completed the payment of the final dividend for 2018 on 28 June 2019, and the dividend paid by the Company was RMB1,641.980 million.

Chapter VI Significant Events

IV. COMMITMENTS PERFORMED DURING THE REPORTING PERIOD AND NOT FULFILLED AS AT THE END OF THE REPORTING PERIOD BY THE UNDERTAKING PARTIES INCLUDING THE DE FACTO CONTROLLER OF THE COMPANY, SHAREHOLDERS, CONNECTED PARTIES, BIDDERS AND THE COMPANY

√ Applicable □ Not applicable

Commitment	Promisor	Type of commitment	Contents of commitment	Date of commitment	Commitment period	Implementation
Other commitment made to minority Shareholders	The Company	Others	In accordance with the relevant laws and regulations, domestic residents are not eligible to purchase overseas stocks directly, so after the implementation of the plan, domestic residents can only hold or sell its H Shares which they legally possess due to the change of listing location of shares of the Company; they are not eligible to subscribe for the shares of the Company and other H shares or other overseas stocks, and after the sales of H shares, the sales income must be timely transferred to the Mainland China. The Company promises domestic residents that before they are free to purchase overseas stocks, the Company will not finance by means of allotment.	2012/8/15	Before domestic residents are free to subscribe for overseas stocks	During the course of performance
Other commitment made to minority Shareholders	The Company	Dividend distribution	Shareholders' bonus return plan (2019 to 2021)	2019/3/27	2019 to 2021	During the course of performance
Whether the commitment is fulfilled in a timely manner or not	Yes					
If the commitment is not fulfilled when overdue, explanations on reasons and working plans for the next step shall be stated in detail	Not applicable					

Chapter VI Significant Events

V. ENGAGEMENT AND DISENGAGEMENT OF FIRMS OF ACCOUNTANTS

Whether the interim financial report has been audited or not

Yes No

The 2019 Interim Financial Report has not been audited.

On 3 June 2019, as considered and approved at the 2018 annual general meeting, the Company appointed PricewaterhouseCoopers Zhong Tian LLP as the auditor of the Company for 2019.

VI. EXPLANATION OF THE BOARD AND THE SUPERVISORY COMMITTEE ON THE “NON-STANDARD AUDITING REPORT” ISSUED BY THE ACCOUNTANTS FIRM DURING THE REPORTING PERIOD

Applicable Not Applicable

VII. EXPLANATION OF THE BOARD ON THE AFFAIRS RELATING TO “NON-STANDARD AUDITING REPORT” FOR THE PREVIOUS YEAR

Applicable Not Applicable

VIII. BANKRUPTCY OR REORGANISATION RELATED ISSUES

Applicable Not Applicable

The Company had no bankruptcy or reorganisation related issues during the Reporting Period.

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IX. LITIGATION EVENTS

Material litigation and arbitration events

Applicable Not Applicable

The Company had no material litigation and arbitration events during the Reporting Period.

Other litigation events

Applicable Not Applicable

CIMC Enric Investment Holdings (Shenzhen) Co., Ltd. (hereinafter referred as "Enric Shenzhen"), a subsidiary of the Company, received a response notice in relation to SOEG PTE LTD litigation matters from the Supreme People's Court of Jiangsu Province, please refer to "XVIII. Significant Events of Subsidiaries" for details.

X. PENALTIES AND REMEDIES

Applicable Not Applicable

During the Reporting Period, the Company had no penalties and remedies.

XI. THE CREDITWORTHINESS OF THE COMPANY AND ITS CONTROLLING SHAREHOLDERS AND THE DE FACTO CONTROLLER

Applicable Not Applicable

During the Reporting Period, there was no effective judgement of the court failed to be satisfied by the Company or relatively large amount of debts due and outstanding.

Chapter VI Significant Events

XII. IMPLEMENTATION OF THE COMPANY'S SHARE OPTION INCENTIVE SCHEME, EMPLOYEE STOCK OWNERSHIP SCHEME OR OTHER EMPLOYEE INCENTIVE MEASURES

1. Summary of Share Option Incentive Scheme

(1) A Share(s) Share Option Incentive Scheme of the Company

In order to establish and improve the incentive-constraint mechanism, and effectively combine the interests of the Shareholders, the Company and its employees, the A Share(s) Share Option Incentive Scheme was considered and approved at the extraordinary general meeting of the Company on 17 September 2010. According to such scheme, the first tranche of 54,000,000 share options (hereinafter referred to as the "First Tranche of Share Options") were registered on 26 January 2011 and the second tranche of reserved 6,000,000 share options (hereinafter referred to as the "Second Tranche of Share Options") were granted to register on 17 November 2011. On 12 May 2015, upon the consideration and approval at the eighth meeting of the seventh session of the Board in 2015, the options of the second exercisable period for the First Tranche of Share Options have met the exercise conditions and were actually exercisable starting from 2 June 2015 to 27 September 2020 with the total exercisable share options amounting to 39,660,000 share options. As at 9 October 2015, upon the consideration and approval at the fourteenth meeting of the seventh session of the Board in 2015, the second exercisable period for the Second Tranche of Share Options have met the exercise conditions and were actually exercisable starting from 24 October 2015 to 27 September 2020 with the total exercisable share options amounting to 4,132,500 options. On 28 June 2019, upon the consideration and approval at the second meeting of the ninth session of the Board in 2019 and the implementation of the annual dividend distribution plan of the Company for 2018, the remaining exercisable share options in the second exercisable period for the first tranche of share options amounted to 19,456,488 share options, and the remaining exercisable share options in the second exercisable period for the second Tranche of Share Options amounted to 2,670,660 options. The adjusted share option exercise price for the First and Second Tranche of Share Options is RMB8.06/option and RMB12.67/option, respectively.

During the Reporting Period, the total exercisable share options of A Share(s) Share Option Incentive Scheme amounted to 453,300 share options, representing 0.77% of the total amount (adjusted), of which, a total of 453,300 share options were exercised during the second exercisable period for the First Tranche of Share Options, and a total of 0 share options were exercised during the second exercisable period for the Second Tranche of Share Options. The implementation of A Share(s) Share Option Incentive Scheme has no material impact on the Company's financial condition and operation results during the Reporting Period and in the future.

(2) CIMC Enric (a subsidiary of the Company)

Share option incentive scheme

CIMC Enric approved and adopted a share option scheme at its extraordinary general meeting held on 12 July 2006. The scheme aimed to provide rewards and benefits to employees, directors and eligible persons of CIMC Enric for their contribution to CIMC Enric. On 11 November 2009, CIMC Enric granted share options to certain eligible persons under the scheme, in order to subscribe for a total of 43,750,000 ordinary shares (hereinafter referred to as the "2009 Enric Share Option"); on 28 October 2011, CIMC Enric granted share options to certain eligible persons under the scheme, in order to subscribe for a total of 38,200,000 ordinary shares (hereinafter referred to as the "2011 Enric Share Option"); on 5 June 2014, CIMC Enric granted share options to certain eligible persons under the scheme, to subscribe for a total of 38,420,000 ordinary shares (hereinafter referred to as the "2014 Enric Share Option"). For details, please refer to the relevant announcements of CIMC Enric published on the website of the Hong Kong Stock Exchange and the regular reports of the Company in recent years.

Chapter VI Significant Events

The table below sets out the changes in the share options granted under the share option incentive scheme of CIMC Enric as at 30 June 2019:

	Date of Grant	Number of underlying shares comprised in share options					Outstanding as at 30 June 2019	Exercise price per share HK\$	Exercise period
		Outstanding as at 1 January 2019	Granted during the Reporting Period	Exercised during the Reporting Period	Transferred to/from other categories during the Reporting Period	Lapsed during the Reporting Period			
Directors of CIMC Enric									
Gao Xiang	2009.11.11	1,000,000	-	(178,000)	-	-	822,000	4.00	2010.11.11-2019.11.10
	2011.10.28	500,000	-	-	-	-	500,000	2.48	2013.10.28-2021.10.27
	2014.06.05	400,000	-	-	-	-	400,000	11.24	2016.06.05-2024.06.04
Yang Xiaohu	2009.11.11	164,000	-	(164,000)	-	-	-	4.00	2010.11.11-2019.11.10
	2011.10.28	200,000	-	-	-	-	200,000	2.48	2013.10.28-2021.10.27
	2014.06.05	400,000	-	-	-	-	400,000	11.24	2016.06.05-2024.06.04
Yu Yuqun	2009.11.11	698,000	-	-	-	-	698,000	4.00	2010.11.11-2019.11.10
	2011.10.28	300,000	-	-	-	-	300,000	2.48	2013.10.28-2021.10.27
	2014.06.05	300,000	-	-	-	-	300,000	11.24	2016.06.05-2024.06.04
Zeng Han	2009.11.11	250,000	-	(250,000)	-	-	-	4.00	2010.11.11-2019.11.10
Tsui Kei Pang	2011.10.28	300,000	-	-	-	-	300,000	2.48	2013.10.28-2021.10.27
	2014.06.05	300,000	-	-	-	-	300,000	11.24	2016.06.05-2024.06.04
	2011.10.28	300,000	-	-	-	-	300,000	2.48	2013.10.28-2021.10.27
Zhang Xueqian	2014.06.05	300,000	-	-	-	-	300,000	11.24	2016.06.05-2024.06.04
	2009.11.11	6,092,000	-	(472,000)	-	-	5,620,000	4.00	2010.11.11-2019.11.10
	2011.10.28	14,936,000	-	(608,000)	-	-	14,328,000	2.48	2013.10.28-2021.10.27
Employees of CIMC Enric	2014.06.05	26,930,000	-	-	-	-	26,930,000	11.24	2016.06.05-2024.06.04
	2009.11.11	6,550,000	-	(240,000)	-	-	6,310,000	4.00	2010.11.11-2019.11.10
	2011.10.28	1,730,000	-	-	-	-	1,730,000	2.48	2013.10.28-2021.10.27
Other participants	2014.06.05	4,900,000	-	-	-	-	4,900,000	11.24	2016.06.05-2024.06.04
	-	66,550,000	-	(1,912,000)	-	-	64,638,000	-	-

On 20 May 2016, the annual general meeting of CIMC Enric passed and adopted a new share option scheme (hereinafter referred to as the "2016 Share Option Scheme") and terminated the 2006 Share Option Scheme. Since the adoption of the 2016 Share Option Scheme, no share option has been granted by CIMC Enric pursuant to the 2016 Share Option Scheme. As at 30 June 2019, the total number of share options available for grant in the 2016 Share Option Scheme is 193,660,608.

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Restricted share award scheme (the "Award Scheme")

CIMC Enric approved and adopted issuance and allotment of a total of up to 50,000,000 restricted shares to the trustee as shares held in trust by selected participants to participate in the Award Scheme, and granted restricted shares to directors and other related selected participants at its extraordinary general meeting held on 10 August 2018. On 24 August 2018, the conditions precedent under the Award Scheme were fulfilled, and a total of 46,212,500 restricted shares were allotted to and accepted by the selected participants. For details, please refer to the relevant announcements of CIMC Enric published on the website of the Hong Kong Stock Exchange. A total of 3,400,000 restricted shares were granted to the directors of CIMC Enric in 2018. As the vesting conditions for the first vesting period have been met, on 30 June 2019, a total of 1,020,000 restricted shares have been vested in the directors of CIMC Enric as follows:

Directors of CIMC Enric	Date of Grant	Number of restricted shares			As at 30 June 2019	Vesting period
		As at 1 January 2019	Granted during the Reporting Period	Vested during the Reporting Period		
Gao Xiang	2018.8.24	1,000,000	–	300,000	700,000	2018.6.26-2022.6.25
Yang Xiaohu	2018.8.24	1,200,000	–	360,000	840,000	2018.6.26-2022.6.25
Yu Yuqun	2018.8.24	400,000	–	120,000	280,000	2018.6.26-2022.6.25
Wang Yu	2018.8.24	400,000	–	120,000	280,000	2018.6.26-2022.6.25
Zeng Han	2018.8.24	400,000	–	120,000	280,000	2018.6.26-2022.6.25
Total	–	3,400,000	–	1,020,000	2,380,000	–

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(3) CIMC TianDa (a subsidiary of the Company)

Equity-settled share option scheme

The shareholders of CIMC TianDa adopted a share option scheme (hereinafter referred to as "CIMC TianDa Share Option Scheme") on 29 May 2009. The CIMC TianDa Share Option Scheme shall be valid and effective until the close of business of CIMC TianDa on the date which falls ten years after the date of adoption, after which period no further share options will be granted. The total number of shares in respect of which share options may be granted under the CIMC TianDa Share Option Scheme when aggregated with any shares subject to any other schemes did not exceed 285,500,000 shares of CIMC TianDa. Share options may be exercised at any time from the date of acceptance of the share options to such date as determined by the board of directors but the exercise period of the options is in any event not exceeding 10 years.

During the Reporting Period, no share options were granted, exercised or cancelled under the CIMC TianDa Share Option Scheme. As at 30 June 2019, the changes in the CIMC TianDa Share Option Scheme are as follows:

CIMC TianDa Share Option Scheme	Number of options	Exercise price (HK\$)
Outstanding as at 1 January 2019 and 30 June 2019	115,625,000	0.42
Exercisable as at the end of the Reporting Period	115,625,000	0.42

As at 30 June 2019, details of the share options granted under CIMC TianDa Share Option Scheme to certain directors and employees of CIMC TianDa:

Number of shares of HK\$0.01 each of CIMC TianDa issuable under the share options						
Directors of CIMC TianDa	Outstanding as at 1 January 2019	Granted during the Reporting Period	Exercised during the Reporting Period	Outstanding as at 30 June 2019	Exercise price (HK\$)	Percentage of issued share capital of CIMC TianDa
Jiang Xiong	4,000,000	–	–	4,000,000	0.42	0.03%
Loke Yu	4,000,000	–	–	4,000,000	0.42	0.03%
Heng Ja Wei	4,000,000	–	–	4,000,000	0.42	0.03%
Ho Man	2,000,000	–	–	2,000,000	0.42	0.01%
Subtotal	14,000,000	–	–	14,000,000		0.10%
Other employees	101,625,000	–	–	101,625,000	0.42	0.70%
Total	115,625,000	–	–	115,625,000		0.80%

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2. Implementation of the A Share(s) Share Option Incentive Scheme of the Company and its Influence

Scope of participants during the Reporting Period	The first tranche of 54,000,000 share options (among which 4,107,500 share options were cancelled) were granted to 175 senior management and key technical personnel of the Company; the second tranche of 6,000,000 share options (among which 578,125 share options were cancelled) were granted to 38 key technical personnel and middle management of the Company.
Total equity granted during the Reporting Period (shares)	0
Total equity exercised during the Reporting Period (shares)	453,300
Total equity cancelled during the Reporting Period (shares)	0
Total equity lapsed during the Reporting Period (shares)	0
Total equity granted but outstanding at the end of the Reporting Period on a cumulative basis (shares) (Note 1)	22,127,148
Total equity granted and exercised at the end of the Reporting Period on a cumulative basis (shares)	36,950,085
Adjustments to grant price and exercise price during the Reporting Period and latest grant price and exercise price after such adjustments	The initial exercise price for the First Tranche of Share Options was RMB10.22/share, which was adjusted to RMB8.06/share after implementation of the dividend distribution proposals for the years from 2010 to 2018. The initial exercise price for the Second Tranche of Share Options was RMB15.75/share, which was adjusted to RMB12.67/share after implementation of the dividend distribution proposals for the years from 2011 to 2018.

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Grant and exercise of equity of Directors, Supervisors and senior management during the Reporting Period

Name	Position	Number of equity increased during the Reporting Period (shares) (Note 2)	Number of equity exercised during the Reporting Period (shares)	Number of outstanding and exercisable equity at the end of the Reporting Period (shares)
Mai Boliang	CEO and President, executive Director	570,000	0	3,420,000
Gao Xiang	Executive vice president	75,000	0	450,000
Wu Fapei (Note 3)	Vice president	150,000	0	900,000
Li Yinhui	Vice president	150,000	0	900,000
Huang Tianhua	Vice president	0	0	0
Yu Yuqun	Vice president and Secretary to the Board, Company secretary	150,000	0	900,000
Zeng Han	General manager of the financial department	57,750	0	346,500

Note 1: Before the implementation of the 2018 annual dividend distribution plan of the Company, the accumulated number of remaining exercisable options which have been granted but not yet exercised was 18,439,290 shares. On 28 June 2019, after the implementation of the 2018 annual dividend distribution plan of the Company, the accumulated number of remaining exercisable options which have been granted but not yet exercised = $18,439,290 \times (1+0.2) = 22,127,148$ (shares).

Note 2: On 28 June 2019, after the completion of 2018 annual profit distribution of the Company, additional two new shares will be issued to all Shareholders for every 10 shares being held by way of conversion of capital surplus.

Note 3: On 27 March 2019, the term of office of Mr. Wu Fapei (a senior management of the Company) as vice president of the Company was expired at 2019 annual Board meeting. Mr. Wu Fapei ceased to serve as the vice president of the Company due to his age. As at the date of this Report, Mr. Wu Fapei holds 900,000 unexercised A share options of the Company.

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XIII. MATERIAL CONNECTED TRANSACTIONS DISCLOSED ACCORDING TO SHENZHEN LISTING RULES

1. Connected Transactions Relating to Daily Operations

Applicable Not Applicable

Unit: RMB thousand

Related party	Relationship with the Group	Type of the connected transaction	Details of the connected transaction	Pricing Principle	Price	Amount	% of the total amount of a similar transaction	Approved cap	Whether approved cap has been exceeded	Settlement method	Available market price of a similar transaction	Disclosure date	Disclosure index
ORIENT OVERSEAS CONTAINER LINE LTD	Subsidiary of significant shareholder	Sale of goods	Sale of goods	Regular commercial terms		43,703	-	-	-	-	-	-	-
Oriental International Container (Lianyungang) Limited	Subsidiary of significant shareholder	Sale of goods	Sale of goods	Regular commercial terms		16,592	-	-	-	-	-	-	-
Oriental International Container (Jinzhou) Limited	Subsidiary of significant shareholder	Sale of goods	Sale of goods	Regular commercial terms		8,686	-	-	-	-	-	-	-
Dong Fang International Container (Guangzhou) Co., Ltd.	Subsidiary of significant shareholder	Sale of goods	Sale of goods	Regular commercial terms		5,813	-	-	-	-	-	-	-
Y&C Engine Co., Ltd.	Joint venture	Sale of goods	Sale of goods	Regular commercial terms		4,878	-	-	-	-	-	-	-
Y&C Engine Co., Ltd.	Joint venture	Procurement of goods	Procurement of goods	Regular commercial terms		164,553	-	-	-	-	-	-	-
CMC Ocean En- Tech Holding Co., Ltd (formerly TSC Group)	Associate	Procurement of goods	Procurement of goods	Regular commercial terms		721	-	-	-	-	-	-	-
Total						244,946	-	-	-	-	-	-	-

Details of substantial sales return

Nil

Projected total amount of connected transactions in the ordinary course of business during the current period by type and actual performance during the Reporting Period (if any)

From January to June 2019, the actual total amount of continuing connected transactions between the Group and COSCO SHIPPING Development Co., Ltd. was RMB74.794 million, which did not exceed the annual caps of RMB5,000 million for the year ended 31 December 2019 as agreed in the supplemental agreement to the framework agreement for sale of goods entered into by both parties on 29 March 2018.

Reason for the substantial difference between transaction prices and referential market prices (if applicable)

Not applicable

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2. Connected Transactions Relating to Assets or Equity Interest Acquisition and Disposal

Applicable Not Applicable

3. Connected Transactions Relating to Joint External Investments

Applicable Not Applicable

4. Claims and Liabilities among the Connected Transactions

Applicable Not Applicable

Whether there are non-operating claims and liabilities among the connected transactions or not

Yes No

For relevant information on claims and liabilities among the connected transactions during the Reporting Period, please refer to note IV. 5, note IV. 7, note IV. 8, note IV. 12, note IV. 15, note IV. 37 and note VIII. 5 of "Chapter X 2019 Interim Financial Report (Unaudited)" in this Report.

5. Other Material Connected Transactions

Applicable Not Applicable

There were no other material connected transactions of the Company during the Reporting Period.

XIV. OCCUPATION OF THE LISTED COMPANY'S NON-OPERATING CAPITAL BY CONTROLLING SHAREHOLDERS AND ITS RELATED PARTIES

Applicable Not Applicable

There was no non-operating capital of the Company which was occupied by controlling Shareholders and its related parties during the Reporting Period.

XV. MATERIAL CONTRACTS AND THEIR PERFORMANCES

1. Trusteeship, Contracting or Leasing

(1) Trusteeship

Applicable Not Applicable

During the Reporting Period, there was no trusteeship of the Company generating a profit or loss which contributed to 10% or more of the total profit of the Company during the Reporting Period.

Chapter VI Significant Events

(2) Contracting

Applicable Not Applicable

During the Reporting Period, there was no contracting of the Company generating a profit or loss which contributed to 10% or more of the total profit of the Company during the Reporting Period.

(3) Leasing

Applicable Not Applicable

During the Reporting Period, there was no leasing of the Company generating a profit or loss which contributed to 10% or more of the total profit of the Company during the Reporting Period.

2. Material Guarantees

Applicable Not Applicable

(1) Description of Guarantees

Unit: RMB thousand

External guarantees undertaken by the Company and its subsidiaries (excluding guarantees for subsidiaries)

Name of guaranteed	Disclosure date of the announcement about the guarantee facilities	Guarantee facilities	Actual date (date of signing the agreement)	Actual amount of guarantee	Type of guarantee	Guarantee period	Fulfilled or not	Related Party guaranteed or not
Customers and dealers of subsidiaries of CIMC Vehicles	27 March 2019	2,500,000	1 January 2019	1,636,719	Warranty	1-2 years	No	No
Customers of Shenyang CIMC Industrial Park Investment Development Co., Ltd.	27 March 2019	150,000	1 January 2019	2,639	Warranty	1-2 years	No	No
Customers of Shaanxi CIMC Vehicles Industrial Park Investment Development Co., Ltd.,	27 March 2019	100,000	1 January 2019	15,933	Warranty	1-2 years	No	No
Customers and dealers of C&C Trucks and its controlling subsidiaries	27 March 2019	1,200,000	1 January 2019	927,688	Warranty	1-2 years	No	No
Purchasers of commodity houses of CIMC Skyspace Real Estate and its controlling subsidiaries	27 March 2019	2,000,000	1 January 2019	1,531,410	Warranty	1-2 years	No	No
Customers of CIMC Raffles	27 March 2019	163,146	1 January 2019	157,625	Warranty	1-2 years	No	No
Customers of Enric Energy Equipment Holdings Limited	27 March 2019	1,000,000	1 January 2019	0	Warranty	1-2 years	No	No
Customers of CIMC Modern Logistics Development Co., Ltd.	27 March 2019	100,000	1 January 2019	16,864	Warranty	1-2 years	No	No
Customers of CIMC Containers	27 March 2019	300,000	1 January 2019	0	Warranty	1-2 years	No	No
Total external guarantee facilities approved during the Reporting Period (A1)		7,513,146		Total actual amount of external guarantees during the Reporting Period (A2)				1,399,699
Total external guarantee facilities approved at the end of the Reporting Period (A3)		7,513,146		Total actual balance of external guarantees at the end of the Reporting Period (A4)				4,288,878

Chapter VI Significant Events

The Company's guarantees for subsidiaries

Name of guaranteed	Disclosure date of the announcement about the guarantee facilities	Guarantee facilities	Actual date (date of signing the agreement)	Actual amount of guarantee	Type of guarantee	Guarantee period	Fulfilled or not	Related Party guaranteed or not
Subsidiaries of CIMC	27 March 2019	22,650,311	1 January 2019	8,383,656	Warrandice	1-2 years	No	No
Overseas holding subsidiaries of CIMC	27 March 2019	40,000,000	1 January 2019	22,755,257	Warrandice	1-2 years	No	No
Total guarantee facilities for subsidiaries approved during the Reporting Period (B1)		62,650,311		Total actual amount of guarantees for subsidiaries during the Reporting Period (B2)				3,116,852
Total guarantee facilities for subsidiaries approved at the end of the Reporting Period (B3)		62,650,311		Total actual balance of guarantees for subsidiaries at the end of the Reporting Period (B4)				31,138,913

Subsidiaries' guarantees for subsidiaries

Name of guaranteed	Disclosure date of the announcement about the guarantee facilities	Guarantee facilities	Actual date (date of signing the agreement)	Actual amount of guarantee	Type of guarantee	Guarantee period	Fulfilled or not	Related Party guaranteed or not
Guarantee of one subsidiary for another	27 March 2019	14,836,543	1 January 2019	6,133,046	Warrandice	1-2 years	No	No
Total guarantee facilities for subsidiaries approved during the Reporting Period (C1)		14,836,543		Total actual guarantee amount for subsidiaries during the Reporting Period (C2)				1,710,511
Total guarantee facilities for subsidiaries approved at the end of the Reporting Period (C3)		14,836,543		Total actual guarantee balance for subsidiaries at the end of the Reporting Period (C4)				6,133,046

Total guarantee of the Company (total of the above three items)

Total guarantee facilities approved during the Reporting Period (A1+B1+C1)			85,000,000	Total actual guarantee amount during the Reporting Period (A2+B2+C2)				6,227,062
Total guarantee facilities approved at the end of the Reporting Period (A3+B3+C3)			85,000,000	Total actual guarantee balance at the end of the Reporting Period (A4+B4+C4)				41,560,837
% of total actual guarantee amount (A4+B4+C4) in net assets of the Company								109.41%
Of which:								
Guarantee amount provided to Shareholders, the de facto controller and related parties (D)								0
Debt guarantee amount provided directly or indirectly to the guaranteed party with a gearing ratio of over 70% (E)								33,972,889
Amount of total guarantee amount in excess of 50% of net assets of the Company (F)								0
Total amount of the above three guarantees (D+E+F)								33,972,889
Explanations on liabilities for guarantees incurred during the Reporting Period or possibly assuming joint settlement liabilities by the Company in respect of undue guarantees (if any)								0
Explanations on external guarantees provided in violation of prescribed requirements (if any)								0

Specific explanation of compound guarantees:

There was no cases of compound guarantees during the Reporting Period.

Chapter VI Significant Events

(2) Irregular External Guarantees

Applicable Not Applicable

3. Other Material Contracts

Applicable Not Applicable

XVI.SOCIAL RESPONSIBILITY

1. Material Environmental Protection Events

Whether the listed company and its subsidiaries are on the list of critical pollutant dischargers published by the environmental protection authorities

Yes No Not Applicable

Chapter VI Significant Events

Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission	Approved total emission	Excessive emission
Xinhui CIMC Container Co., Ltd. ("XHCIMC")	COD	Discharge into the river outside the factory through sewage collection pipes	1	Northwest of the factory area	13.5 mg/L	Discharge Limits of Water Pollutants (DB/44-26-2001)	4.530 tonnes/half a year	Not approved	Not exceeded
	Ammonia nitrogen				0.5 mg/L		0.170 tonnes/half a year		
	SS				7.0 mg/L		2.330 tonnes/half a year		
	Petroleum				0.7 mg/L		0.250 tonnes/half a year		
	pH	Exhaust pipes	2	Middle side of the factory area	7.9 (non-dimensional)	Boiler Air Pollutant Discharge Standard (DB44/765-2010)	-	Not approved	Not exceeded
	Sulfur dioxide				10.4 mg/m ³		0.500 tonnes/half a year		
	Nitric oxide				73.3 mg/m ³		3.560 tonnes/half a year		
	Particulate matter				6.4 mg/m ³		0.310 tonnes/half a year		
	Particulate matter				20.4 mg/m ³		3.370 tonnes/half a year		
	Benzene	Exhaust pipes	5	Middle side of the factory area	0.0168 mg/m ³	The Standard stipulating the VOC emission limits of container manufacturing companies operating (集裝箱製造業揮發性有機物排放標準) (DB44/1837-2016)	0.004 tonnes/half a year	Not approved	Not exceeded
	Methylbenzene				0.2706 mg/m ³		0.066 tonnes/half a year		
	Xylene				0.5533 mg/m ³		0.135 tonnes/half a year		
	TVOCs				2.7068 mg/m ³		0.660 tonnes/half a year		
Xinhui CIMC Special Transportation Equipment Co., Ltd. ("XHCIMCS")	Particulate matter	Exhaust pipes	31	East and middle side of the factory area	20.56 mg/m ³	Emission Limits of Air Pollutants (DB/27-2001)	12.650 tonnes/half a year	Not approved	Not exceeded
	Benzene	Exhaust pipes	8	East and middle side of the factory area	0.0553 mg/m ³	The Standard stipulating the VOC emission limits of container manufacturing companies operating (集裝箱製造業揮發性有機物排放標準) (DB44/1837-2016)	0.025 tonnes/half a year	Not approved	Not exceeded
	Methylbenzene	1.533 mg/m ³	0.682 tonnes/half a year						
	Xylene	4.7883 mg/m ³	2.129 tonnes/half a year						
	TVOCs	18.9083 mg/m ³	8.410 tonnes/half a year	296.58 tonnes/year					

Chapter VI Significant Events

Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission	Approved total emission	Excessive emission
Dongguan Southern CIMC Logistic Equipment Manufacturing Co., Ltd. ("Dongguan Southern")	Particulate matter (welding fumes)	Exhaust pipes	4	Phase I workshop	ND (emission calculated at the detection limit of 20 mg/m ³)	Emission Limits of Air Pollutants (DB44/27-2001)	3.400 tonnes/half a year	17.9427 tonnes/year	Not exceeded
	Particulate matter (sanding dust)	Exhaust pipes	4	Northwest of the phase I workshop	ND (emission calculated at the detection limit of 20 mg/m ³)		6.300 tonnes/half a year		Not exceeded
	Particulate matter (phase I primer paint)	Exhaust pipes	1	Northwest of the phase I workshop	ND (emission calculated at the detection limit of 20 mg/m ³)		2.600 tonnes/half a year		Not exceeded
	VOCs (organic waste gas)	Exhaust pipes	4	3 to the northwest of the phase I workshop, 1 to the southwest of the phase I workshop	3.91 mg/m ³	The Standard stipulating the VOC emission limits of container manufacturing companies operating (集装箱製造挥发性有机物排放标准) (DB44/1837-2016)	3.510 tonnes/half a year	21.59 tonnes/year	Not exceeded
	VOCs (phase I industrial waste water station odor)	Exhaust pipes	1	South side of the phase I workshop	2.79 mg/m ³		0.035 tonne/half a year		Not exceeded
	SO ₂ (phase I primer paint)	Exhaust pipes	1	Northwest of the phase I workshop	ND (emission calculated at the detection limit of 3 mg/m ³)	Emission Limits of Air Pollutants (DB44/27-2001)	0.196 tonne/half a year	0.3024 tonne/year	Not exceeded
	NO _x (phase I primer paint)	Exhaust pipes	1	Northwest of the phase I workshop	ND (emission calculated at the detection limit of 3 mg/m ³)		0.196 tonne/half a year	2.9568 tonnes/year	Not exceeded
	Ammonia (phase I industrial waste water station odor)	Exhaust pipes	1	South side of the phase I workshop	0.54 mg/m ³	Emission Standards for Odor Pollutants (GB14554-93)	0.0095 tonne/half a year	0.07 tonne/year	Not exceeded
	Sulfuretted hydrogen (phase I industrial waste water station odor)	Exhaust pipes	1	South side of the phase I workshop	0.06 mg/m ³		0.0011 tonne/half a year	0.0086 tonne/year	Not exceeded

Chapter VI Significant Events

Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission	Approved total emission	Excessive emission	
Shenzhen Southern CIMC Logistics Equipment Manufacturing Co., Ltd. ("SCIMCEL")	Particulate matter	Exhaust pipes	5	Middle side of the factory area	1.0 mg/m ³	Emission Standard of Air Pollutants (DB44/27-2001)	22.840 tonnes/half a year	Not approved	Not exceeded	
	VOCs	Exhaust pipes	10	Middle side of the factory area	6.42 mg/m ³	The Standard stipulating the VOC emission limits of container manufacturing companies operating (集装箱制造业挥发性有机物排放标准) (DB44/1837-2016)	5.400 tonnes/half a year	Not approved	Not exceeded	
Ningbo CIMC Logistics Equipment Co., Ltd. ("NBCIMC Logistics")	VOCs	Exhaust pipes	6	North side of the factory area	8.83 mg/m ³	Integrated Emission Standard of Air Pollutants (GB16297-1996)	2.600 tonnes/half a year	218.078 tonnes/year	Not exceeded	
	Non-methane	Exhaust pipes			8.5 mg/m ³		2.200 tonnes/half a year	Not exceeded		
	Methylbenzene	Exhaust pipes			0.85 mg/m ³		0.020 tonne/half a year	Not exceeded		
	Xylene	Exhaust pipes			5.53 mg/m ³		0.200 tonne/half a year	Not exceeded		
	NOx	Exhaust pipes	2		1.28 mg/m ³		0.072 tonne/half a year	1.12 tonnes/year	Not exceeded	
	Particulate matter	Exhaust pipes	6		9.98 mg/m ³		6.780 tonnes/half a year	11.706 tonnes/year	Not exceeded	
	COD	Sewage collection pipes	1	North side of the factory area	16.0 mg/L		Integrated Wastewater Discharge Standard (GB8978-1996)	0.440 tonne/half a year	1.09 tonnes/year (contains only production of wastewater)	Not exceeded
	Ammonia nitrogen	Sewage collection pipes			0.5 mg/L			0.010 tonne/half a year	0.109 tonne/year (contains only production of wastewater)	Not exceeded
	Petroleum	Sewage collection pipes			5.12 mg/L			0.0016 tonne/half a year	Not approved	Not exceeded
	Total zinc	Sewage collection pipes			0.05 mg/L	0.0015 tonne/half a year	Not approved	Not exceeded		
Shanghai CIMC Baowell Industries Co. Ltd. ("SBWI")	Particulate matter	Exhaust pipes	5	South and north side of the factory area	5.2 mg/m ³	Emission Standard of Air Pollutants (DB31/933-2015)	5.257 tonnes/half a year	Not approved	Not exceeded	
	VOCs	Exhaust pipes	4	South and north side of the factory area	21.92 mg/m ³		52.578 tonnes/half a year	Not approved	Not exceeded	
	COD	Sewage collection pipes	3	South and north side of the factory area	64 mg/L		2.360 tonnes/half a year	Not approved	Not exceeded	
Shanghai CIMC Yangshan Logistics Equipments Co., Ltd. ("SHYSLE")	COD	Sewage collection pipes	1	Waste water main outlet	30 mg/L	Integrated Wastewater Discharge Standard (DB31/199-2018)	0.0531 tonne/half a year	0.1383 tonne/year	Not exceeded	
	Ammonia nitrogen	Sewage collection pipes	1	Waste water main outlet	0.7 mg/L		0.0012 tonne/half a year	0.0025 tonne/year	Not exceeded	
	Particulate matter	Exhaust pipes	7	Sanding for pre-treatment	0.7 mg/m ³	Integrated Emission Standard of Air Pollutants (DB31/933-2015)	0.6640 tonne/half a year	59.2557 tonnes/year	Not exceeded	
					1 full container sanding					0.2 mg/m ³
					2 full container sanding					0.2 mg/m ³
3 full container sanding					0.9 mg/m ³					
Primer paint	0.4 mg/m ³									
Intermediary Paint	0.7 mg/m ³									
Exterior paint	0.6 mg/m ³									
VOCs	Exhaust pipes	4	Pre-treatment	13.7 mg/m ³	Integrated Emission Standard of Air Pollutants (DB31/933-2015)	9.0677 tonnes/half a year	258.7158 tonnes/year	Not exceeded		

Chapter VI Significant Events

Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission	Approved total emission	Excessive emission
Taicang CIMC Containers Co., Ltd. ("TCCIMC")	Particulate matter	Exhaust pipes	7	South side of B line welding workshop	3.263 mg/m ³	Integrated Emission Standard of Air Pollutants (GB16297-1996)	1.586 tonnes/half a year	15.150 tonnes/year	Not exceeded
			1	Northeast corner of B line welding workshop					
	Non-methane	Exhaust pipes	3	South side of B line welding workshop	4.763 mg/m ³	Not approved	0.890 tonne/half a year	Not approved	Not exceeded
	Benzene	Exhaust pipes	3	South side of B line welding workshop	0.113 mg/m ³	Integrated Emission Standard of Air Pollutants (GB16297-1996)	0.030 tonne/half a year	0.233 tonne/year	Not exceeded
	Methylbenzene	Exhaust pipes	3	South side of B line welding workshop	0.212 mg/m ³		0.040 tonne/half a year	40.346 tonnes/year	Not exceeded
	Xylene	Exhaust pipes	3	South side of B line welding workshop	0.094 mg/m ³		0.034 tonne/half a year	63.725 tonnes/year	Not exceeded
Taicang CIMC Special Logistics Equipment Co. Ltd. ("Taicang Special Equipment")	Particulate matter	Exhaust pipes	10	South side of the A line finished workshop and northwest of the pretreatment workshop	1.3 mg/m ³	Integrated Emission Standard of Air Pollutants (GB16297-1996)	0.495 tonne/half a year	6.369 tonnes/year	Not exceeded
	Non-methane	Exhaust pipes	5	South side of the A line finished workshop and west side of the pretreatment workshop	33.490 mg/m ³		8.375 tonnes/half a year	110.002 tonnes/year	Not exceeded
	Benzene	Exhaust pipes	5	South side of the A line finished workshop and west side of the pretreatment workshop	0.1734 mg/m ³		0.079 tonne/half a year	Not approved	Not exceeded
	Methylbenzene	Exhaust pipes	5	South side of the A line finished workshop and west side of the pretreatment workshop	1.3138 mg/m ³		0.336 tonne/half a year	1.99 tonnes/year	Not exceeded
	Xylene	Exhaust pipes	5	South side of the A line finished workshop and west side of the pretreatment workshop	2.335 mg/m ³		0.850 tonne/half a year	53.764 tonnes/year	Not exceeded

Chapter VI Significant Events

Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission	Approved total emission	Excessive emission
CIMC Taicang Refrigeration Equipment Logistics Co., Ltd. ("TCCRC")	Particulate matter	Exhaust pipes	15	North side of the 3# factory	1.6 mg/m ³	Integrated Emission Standard of Air Pollutants (GB16297-1996)	1,950 tonnes/half a year	22,329 tonnes/year	Not exceeded
	TVOC	Exhaust pipes	8	South and north side of the factory area	0.44 mg/m ³	Emission Standard of Volatile Organic Compounds for surface coating (vehicle manufacturing industry) (DB44/816-2010)	2,880 tonnes/half a year	99,422 tonnes/year	Not exceeded
	Benzene congeners	Exhaust pipes	3	Southwest of the 2# factory, north side of the 3# factory and northeast of the 1# factory	2,477 mg/m ³	Emission Standard of Volatile Organic Compounds for surface coating (vehicle manufacturing industry) (DB44/816-2010)	1,833 tonnes/half a year	45,268 tonnes/year	Not exceeded
	COD	Sewage treatment plant	1	Northeast of gate 1 of the factory area	82 mg/L	Wastewater Quality Standards for Discharge to Sewers (GB/T31962-2015)	3,020 tonnes/half a year	41.70 tonnes/year	Not exceeded
	SS	Sewage treatment plant	1	Northeast of gate 1 of the factory area	21 mg/L	Wastewater Quality Standards for Discharge to Sewers (GB/T31962-2015)	0.780 tonne/half a year	20.85 tonnes/year	Not exceeded
	Ammonia nitrogen	Sewage treatment plant	1	Northeast of gate 1 of the factory area	1.96 mg/L	Wastewater Quality Standards for Discharge to Sewers (GB/T31962-2015)	0.070 tonne/half a year	2.607 tonnes/year	Not exceeded
	Total nitrogen	Sewage treatment plant	1	Northeast of gate 1 of the factory area	3.9 mg/L	Wastewater Quality Standards for Discharge to Sewers (GB/T31962-2015)	0.140 tonne/half a year	3.65 tonnes/year	Not exceeded
	Total phosphorus	Sewage treatment plant	1	Northeast of gate 1 of the factory area	0.64 mg/L	Wastewater Quality Standards for Discharge to Sewers (GB/T31962-2015)	0.020 tonne/half a year	0.417 tonne/year	Not exceeded
	LAS	Sewage treatment plant	1	Northeast of gate 1 of the factory area	2.45 mg/L	Wastewater Quality Standards for Discharge to Sewers (GB/T31962-2015)	0.090 tonne/half a year	0.405 tonne/year	Not exceeded
	Nantong CIMC Special Transportation Equipment Manufacture Co., Ltd. ("NTCIMCS")	Particulate matter	Exhaust pipes	8	Full container sanding	2.1 mg/m ³	Integrated Emission Standard of Air Pollutants (GB16297-1996)	0.930 tonne/half a year	1.6 tonnes/year
Methylbenzene			7	Coating	0.573 mg/m ³	Jiangsu Province Chemical Industry VOCs Emission Standard (DB32/3151-2016)	0.200 tonne/half a year	8.69 tonnes/year	Not exceeded
Xylene					1.69 mg/m ³		0.270 tonne/half a year	16.57 tonnes/year	Not exceeded
Ethyl acetate					0.352 mg/m ³		0.050 tonne/half a year	5.23 tonnes/year	Not exceeded
VOCs					9.95 mg/m ³	Emission Standard of VOCs from Industrial Enterprises in Tianjin City (DB12/524-2014)	4,940 tonnes/half a year	58.88 tonnes/year	Not exceeded
COD		Sewage collection pipes	1	Sewage station	38 mg/L	Integrated Wastewater Discharge Standard (GB8978-1996)	0.770 tonne/half a year	32,797 tonnes/year	Not exceeded
SS					14 mg/L		0.280 tonne/half a year	21.619 tonnes/year	Not exceeded
Petroleum					ND		0 tonne/half a year	0.019 tonne/year	Not exceeded
Ammonia nitrogen					35.1 mg/L	Wastewater Quality Standards for Discharge to Municipal Sewers (CJ343-2010)	0.710 tonne/half a year	2,827 tonnes/year	Not exceeded
Total phosphorus					2.28 mg/L		0.050 tonne/half a year	0.322 tonne/year	Not exceeded

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Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission	Approved total emission	Excessive emission
Yangzhou Runyang Logistics Equipments Co., Ltd. ("YZRYL")	Particulate matter	Exhaust pipes	11	South, west and north of the workshop	16.9389 mg/m ³	Integrated Emission Standard of Air Pollutants (GB16297-1996); Emission Control Standard of VOCs from Industrial Enterprises in Tianjin City (DB12/524-2014) for VOCs; Emission Standards for Odor Pollutants (GB14554-93) for ammonia, sulfur dioxide, hydrogen sulfide; Food and Beverage Emission Standards (Trial) (GB18483-2001) large scale standard in Table 2 for oil fumes emissions.	27.098 tonnes/half a year	3.03 tonnes/year	Not exceeded for the concentration; exceeded for total emission
	VOCs	Exhaust pipes	5	Middle side of the workshop	2.3447 mg/m ³		8.180 tonnes/half a year	Not approved	Not exceeded
	Benzene	Exhaust pipes	5	Middle side of the workshop	0.009 mg/m ³		0.016 tonne/half a year	4.381 tonnes/year	Not exceeded
	Methylbenzene	Exhaust pipes	5	Middle side of the workshop	3.15 mg/m ³		0.243 tonne/half a year	9.337 tonnes/year	Not exceeded
	Xylene	Exhaust pipes	5	Middle side of the workshop	0.321 mg/m ³		0.065 tonne/half a year	33.48 tonnes/year	Not exceeded
	Non-methane	Exhaust pipes	8	Middle side of the workshop	41.1 mg/m ³		28.228 tonnes/half a year	Not approved	Not exceeded
	Fume from canteens	Exhaust pipes	1	East side of the company	0.07 mg/m ³		0.0026 tonne/half a year	Not approved	Not exceeded
	Sulfur dioxide	Exhaust pipes	4	Middle side of the workshop	28.5 mg/m ³		0.187 tonne/half a year	Not approved	Not exceeded
	Nitric oxide	Exhaust pipes	4	Middle side of the workshop	43.833 mg/m ³		0.404 tonne/half a year	Not approved	Not exceeded
	COD	Access to sewage network	1	Southwest corner of the company	110 mg/L		Integrated Wastewater Discharge Standard (GB8978-1996) Class 3 in Table 4 and Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015) Grade A in Table 1; tail water discharge from sewage treatment plants implement Pollutant Discharge Standard for Urban Sewage Treatment Plants (GB18918-2002) Class 1 Grade A.	2.153 tonnes/half a year	10.55 tonnes/year
	SS	Access to sewage network	1	Southwest corner of the company	80 mg/L	1.566 tonnes/half a year		7.38 tonnes/year	Not exceeded
	Ammonia nitrogen	Access to sewage network	1	Southwest corner of the company	9.19 mg/L	0.180 tonne/half a year		Not approved	Not exceeded
	Total nitrogen	Access to sewage network	1	Southwest corner of the company	11.761 mg/L	0.230 tonne/half a year		Not approved	Not exceeded
	Total phosphorus	Access to sewage network	1	Southwest corner of the company	0.814 mg/L	0.0160 tonne/half a year		Not approved	Not exceeded
	Total zinc	Access to sewage network	1	Southwest corner of the company	0.501 mg/L	0.0098 tonne/half a year		Not approved	Not exceeded
	Animal and vegetable oil	Access to sewage network	1	Southwest corner of the company	0.328 mg/L	0.0064 tonne/half a year		Not approved	Not exceeded
	Petroleum	Access to sewage network	1	Southwest corner of the company	0.914 mg/L	0.0179 tonne/half a year		Not approved	Not exceeded

Chapter VI Significant Events

Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission	Approved total emission	Excessive emission
Yangzhou Tonglee Reefer Container Co., Ltd. ("TLC")	Particulate matter	Exhaust pipes	7	North side of the factory area	22.17 mg/m ³	Integrated Emission Standard of Air Pollutants (GB16297-1996)	2.690 tonnes/half a year	0.325 tonne/year	Not exceeded for the concentration; exceeded for total emission
	TVOCs		7		5.37 mg/m ³		1.770 tonnes/half a year	1.520 tonnes/year	Not exceeded for the concentration; exceeded for total emission
	SO ₂		4		40.25 mg/m ³	Boiler Air Pollutant Discharge Standard (GB13271-2014)	0.140 tonne/half a year	0.175 tonne/year	Not exceeded
	NO _x		4		115 mg/m ³		0.430 tonne/half a year	0.263 tonne/year	Not exceeded for the concentration; exceeded for total emission
	COD	Incorporate into municipal pipe networks	1	Northwest of the factory area	452 mg/L	Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015) Grade B in Table 1	5.970 tonnes/half a year	2.750 tonnes/year	Not exceeded for the concentration; exceeded for total emission
	NH ₃ -N				41.9 mg/L		0.550 tonne/half a year	0.280 tonne/year	Not exceeded for the concentration; exceeded for total emission
Qingdao CIMC Container Manufacture Co., Ltd. ("QDCC")	Methylbenzene	Exhaust pipes	4	North side of assembly workshop	0.39 mg/m ³	Emission Standard of Volatile Organic Compounds Part 5 (DB37/2801.5-2018)	0.355 tonne/half a year	1.984 tonnes/year	Not exceeded
	Xylene	Exhaust pipes	4	North side of assembly workshop	0.86 mg/m ³		0.758 tonne/half a year	11.7 tonnes/year	Not exceeded
	VOCs	Exhaust pipes	4	North side of assembly workshop	2.13 mg/m ³		1.911 tonnes/half a year	178.7 tonnes/year	Not exceeded
	Particulate matter	Exhaust pipes	11	North side of the factory area	2.64 mg/m ³	Regional Air Pollutants Integrated Emission Standard (DB37/2376-2019)	0.959 tonne/half a year	Not approved	Not exceeded
	COD	Sewage collection pipes	2	South and west side of the factory area	57.5 mg/L	Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015) Grade A	1.234 tonnes/half a year	3.04 tonnes/year	Not exceeded
	Ammonia nitrogen	Sewage collection pipes	2	South and west side of the factory area	8.36 mg/L		0.023 tonne/half a year	11.48 tonnes/year	Not exceeded

Chapter VI Significant Events

Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission	Approved total emission	Excessive emission
Qingdao CIMC Reefer Container Manufacture Co., Ltd. ("QDCRC")	Xylene	Exhaust pipes	4	1 to the south side of the No.1 workshop and 3 to the south side of the No.2 workshop	7.88 mg/m ³	Emission Standard of Volatile Organic Compounds Part 5: Surface Coating Industry (DB37/2801.5-2018)	4.59 tonnes/half a year	28.83 tonnes/year	Not exceeded
	Non-methane	Exhaust pipes	8	5 to the south side of the No.1 workshop and 3 to the south side of the No.2 workshop	53.43 mg/m ³	Emission Standard of Volatile Organic Compounds Part 5: Surface Coating Industry (DB37/2801.5-2018)	15.66 tonnes/half a year	71.95 tonnes/year	Not exceeded
	Particulate matter	Exhaust pipes	27	2 to the north side of the No.1 workshop, 10 to the south side of the No.1 workshop, 15 to the south side of the No.2 workshop	7.87 mg/m ³	Regional Air Pollutants Integrated Emission Standard (DB37/2376-2019)	5.050 tonnes/half a year	38.7 tonnes/year	Not exceeded
	Sulfur dioxide	Exhaust pipes	11	2 to the north side of the No.1 workshop, 3 in the No.1 workshop, 6 to the south side of the No.2 workshop	13.58 mg/m ³	Regional Air Pollutants Integrated Emission Standard (DB37/2376-2019)	0.203 tonne/half a year	0.8 tonne/year	Not exceeded
	Nitric oxide	Exhaust pipes	11	2 to the north side of the No.1 workshop, 3 in the No.1 workshop, 6 to the south side of the No.2 workshop	50 mg/m ³	Regional Air Pollutants Integrated Emission Standard (DB37/2376-2019)	1.29 tonnes/half a year	7.02 tonnes/year	Not exceeded
	COD	Sewage pipe network	2	1 to the west side of the factory area, 1 to the north side of the factory area	37 mg/L	Wastewater Quality Standards for Discharge to Municipal Sewers (CJ3082-1999)	0.965 tonne/half a year	12.24 tonnes/year	Not exceeded
	Ammonia nitrogen	Sewage pipe network	2	1 to the west side of the factory area, 1 to the north side of the factory area	19.2 mg/L	Wastewater Quality Standards for Discharge to Municipal Sewers (CJ3082-1999)	0.374 tonne/half a year	0.77 tonne/year	Not exceeded

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Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission	Approved total emission	Excessive emission
Tianjin CIMC Containers Co., Ltd. ("TJICIMC")	Sulfur dioxide	Exhaust pipes	7	3 emission outlets in painting workshops and 4 emission outlets in pre-treatment workshops	ND (emission calculated at the detection limit of 3 mg/m ³)	Emission Standard of Air Pollutants for Industrial Kiln and Furnace (DB12/556-2015)	0.340 tonne/half a year	2.345 tonnes/year	Not exceeded
	Nitric oxide				ND (emission calculated at the detection limit of 3 mg/m ³)	Emission Standard of Air Pollutants for Industrial Kiln and Furnace	0.340 tonne/half a year	3.508 tonnes/year	Not exceeded
	VOC				11.821 mg/m ³	Emission Control Standard of Volatile Organic	2.84 tonnes/half a year	Not approved	Not exceeded
	Methylbenzene				0.375 mg/m ³	Compounds from Industrial Enterprises (DB12/524-2014)	0.051 tonne/half a year	Not approved	Not exceeded
	Xylene				1.955 mg/m ³		0.105 tonne/half a year	Not approved	Not exceeded
	Smoke and dust				2.603 mg/m ³	Emission Standard of Air Pollutants for Industrial Kiln and Furnace (DB12/556-2015)	0.640 tonne/half a year	18.35 tonnes/year	Not exceeded
	General dust	Exhaust pipes	11	9 emission outlets in the first sanding and 2 emission outlets in the second sanding	4.425 mg/m ³	Integrated Emission Standard of Air Pollutants (GB16297-1996)	0.881 tonne/half a year		Not exceeded
	COD	Sewage collection pipes	1	Southwest side of the factory area	28.55 mg/L	Integrated Wastewater Discharge Standard (DB12/356-2018)	0/half a year (recycled)	3.28 tonnes/year	Not exceeded
	Ammonia nitrogen	Sewage collection pipes			0.059 mg/L		0/half a year (recycled)	0.49 tonne/year	Not exceeded
	Dalian CIMC Containers Co., Ltd. ("DLCIMC")	Particulate matter	Exhaust pipes	2	East and west side of the factory area	57.3 mg/m ³	Emission Standard of Air Pollutants (GB16297-1996)	3.876 tonnes/half a year	Not approved
NMHC			7	East and west side of the factory area	73.2 mg/m ³		30.4 tonnes/half a year	Not approved	Not exceeded
Benzene			7	East and west side of the factory area	0.045 mg/m ³		0.054 tonne/half a year	Not approved	Not exceeded
Methylbenzene			7	East and west side of the factory area	0.074 mg/m ³		0.084 tonne/half a year	Not approved	Not exceeded
Xylene			7	East and west side of the factory area	No found		0 tonne/half a year	Not approved	Not exceeded
Sulfur dioxide			7	East and west side of the factory area	No found		0 tonne/half a year	Not approved	Not exceeded
Nitric oxide			7	East and west side of the factory area	No found		0 tonne/half a year	Not approved	Not exceeded
Ammonia nitrogen		Domestic sewage main drainage	2	East and south side of the factory area	0.721 mg/L	Liaoning Province Integrated Wastewater Discharge Standard (DB21/1627-2008)	0.020 tonne/half a year	Not approved	Not exceeded
SS			2	East and south side of the factory area	18.0 mg/L		0.505 tonne/half a year	Not approved	Not exceeded
COD			2	East and south side of the factory area	79.1 mg/L		2.220 tonnes/half a year	Not approved	Not exceeded
Animal and vegetable oil		2	East and south side of the factory area	0.26 mg/L		0.007 tonne/half a year	Not approved	Not exceeded	
Total phosphorus		2	East and south side of the factory area	0.09 mg/L		0.003 tonne/half a year	Not approved	Not exceeded	
Zhumadian CIMC Huajun Casting Co. Ltd. ("HJCAST")	Fume, dust particulate matter	Organised emission	2	1 emission outlet on 2 production lines respectively	<30 mg	30 mg	3.73 tonnes/half a year	16.4 tonnes/year	Not exceeded

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Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission	Approved total emission	Excessive emission	
Yangzhou CIMC Tong Hua Special Vehicles Co., Ltd. ("YZTH")	Benzene	Organised emission	4	Small paint room of the north factory, No.7 workshop of the south factory	0.0236 mg/m ³	Integrated Emission Standard of Air Pollutants (GB16297-1996) Class 2 in Table 2	0.0016 tonne/half a year	Not approved	Not exceeded	
	Methylbenzene		4	Small paint room of the north factory, No.7 workshop of the south factory	5.3664 mg/m ³		0.617 tonne/half a year	Not approved	Not exceeded	
	Xylene		4	Small paint room of the north factory, No.7 workshop of the south factory	0.0531 mg/m ³		0.0054 tonne/half a year	Not approved	Not exceeded	
	COD	Discharge after treatment	1	Wall of the south factory	115 mg/L	Integrated Wastewater Discharge Standard (GB8978-1996) Class 3 in Table 4	12.396 tonnes/half a year	60 tonnes/year	Not approved	Not exceeded
	Petroleum		1	Wall of the south factory	0.83 mg/L		0.0895 tonne/half a year	Not approved	Not exceeded	
	Ammonia nitrogen		1	Wall of the south factory	23.6 mg/L	Wastewater Quality Standards for Discharge to Municipal Sewers (CJ 343-2010) Grade B in Table 1	2.544 tonnes/half a year	5.4 tonnes/year	Not approved	Not exceeded
	Total phosphorus		1	Wall of the south factory	0.57 mg/L		0.061 tonne/half a year	0.96 tonne/year	Not approved	Not exceeded
Shenzhen CIMC Special Vehicle Co., Ltd. ("CIMCSV")	Spraying exhaust from water-based paint, drying organic waste gas from water-based paint; Powder drying organic waste gas	Organised emission	4	Coating workshops	Benzene: 0.123 mg/m ³ ; Sum of methylbenzene and xylene: 0.50 mg/m ³ ; Benzene congeners: 0.71 mg/m ³ ; VOCS: 6.10 mg/m ³ ;	DB44/816-2010 and DB44/1837-2016 stricter standard of time slot II	Benzene: 0.0046 tonne/half a year; Sum of methylbenzene and xylene: 0.01782 tonne/half a year;	Organic waste gas: 1.06 tonnes/year	Not exceeded	
	Benzene, methylbenzene, xylene, benzene congeners, VOCS						Benzene congeners: 0.0265 tonne/half a year; VOCS: 0.3 tonne/half a year;			
	Welding fume; welding dust particles	Organised emission	3	Structure workshop	1# emission outlet: 6.70 mg/m ³ 2# emission outlet: 4.10 mg/m ³ 3# emission outlet: 5.90 mg/m ³	DB44/27-2001 time slot II Standard Level 2	Particulate matter: 0.995 tonne/half a year	5.45 tonnes/year	Not exceeded	

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Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission	Approved total emission	Excessive emission
Dongguan CIMC Special Vehicle Co., Ltd. ("Dongguan CIMC Special Vehicle")	Wastewater (COD)	Discharge after treatment	1	Coating workshop wastewater station	13 mg/L	30 mg/L	0.096 tonne/half a year	0.66 tonne/year	Not exceeded
	Wastewater (Ammonia nitrogen)				0.08 mg/L	1.5 mg/L	0.0006 tonne/half a year	0.03 tonne/year	Not exceeded
	Exhaust gas (VOCs)	Organised emission	2	Coating workshops	3.60 mg/m ³	90 mg/m ³	0.126 tonne/half a year	0.396 tonne/year	Not exceeded
	Particulate matter		11	Structure workshop Coating workshops	<20 mg/m ³	120 mg/m ³	2.1930 tonnes/half a year	4.8516 tonnes/year	Not exceeded
	Sulfur dioxide		5	Coating workshops	<3 mg/m ³	500 mg/m ³	0.0324 tonne/half a year	0.2978 tonne/year	Not exceeded
	NOx		4	Coating workshops	48 mg/m ³	120 mg/m ³	0.5010 tonne/half a year	2.9114 tonnes/year	Not exceeded
CIMC -SHAC (Xi'an) Special Vehicle Co., Ltd. ("XASV")	SS	Organised emission	4	East of the factory area	16 mg/L;	DB61/224-2011 Standard Level 2 in table 2 of the Integrated Wastewater Discharge Standard for the Yellow River Basin (Shaanxi Section), GB8979-1996 Standard Level 3 in table 4 of the Integrated Wastewater Discharge Standard.	0.078 tonne/half a year	COD:1.24 tonnes/year; not approved total Emission for other items	Not exceeded
	COD				41 mg/L		0.201 tonne/half a year		
	Ammonia nitrogen				0.458 mg/L;		0.002 tonne/half a year		
	Petroleum				Not found		0 tonne/half a year		
	Animal and vegetable oil				Not found		0 tonne/half a year		
	Benzene congeners		1	1 in the base paint workshop, 2 in the topcoat paint workshop and 1 in the small parts workshop of the paint line	Benzene 0.087 mg/m ³ ; Methylbenzene 0.274 mg/m ³	Emission Control Standard of Volatile Organic Compounds in Shaanxi Province (DB61/T1061-2017) Standards for the Surface Coating Industry, requirement of Standard Level 2 in the State's Integrated Emission Standard of Air Pollutants (GB16297-1996).	Benzene: 0.002 tonne/half a year; Methylbenzene: 0.19 tonne/half a year; Xylene: 0.26 tonne/half a year		
	Non-methane						7.490 mg/m ³	1.95 tonnes/half a year	
Particulate matter							7.300 mg/m ³	0.422 tonne/half a year	

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Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission	Approved total emission	Excessive emission	
CIMC Vehicles (Shandong) Co. Ltd. ("KGR")	Benzene	Organised emission	6	Painting workshop - painting (small pieces, color separation), drying (small pieces, color separation), plate making process, cold foaming process	0.981 mg/m ³	Standard Level 2 of Integrated Emission Standard of Air Pollutants (GB16297-1996); Shandong Province Volatile Organic Compounds Emission Standard Part I: Automotive Manufacturing (DB37/2801.1-2016)	0.0362 tonne/half a year	Not approved	Not exceeded	
	Methylbenzene				1.02 mg/m ³		0.03935 tonne/half a year			
	Xylene				2.17 mg/m ³		0.07896 tonne/half a year			2.256 tonnes/year
	VOCs				7.11 mg/m ³		0.641 tonne/half a year			4.6794 tonnes/year
	Smoke and dust	Organised emission	2	Refrigeration workshop boiler room, cold transportation workshop boiler room	2.97 mg/m ³	Standard Level 2 of Integrated Emission Standard of Air Pollutants (GB16297-1996); Regional Air Pollutants Integrated Emission Standard of Shandong Province (DB37/2376-2013) Table 2 limits of emission concentration in key control areas	0.0155 tonne/half a year	7.609 tonnes/year	Not exceeded	
	Sulfur dioxide				25 mg/m ³		0.077 tonne/half a year			0.24 tonne/year
	NOx				25.88 mg/m ³		0.069 tonne/half a year			0.899 tonne/year
	Particulate matter	Organised emission	1	Carving and trimming	6.5 mg/m ³	Integrated Emission Standard for Fixed Source Atmospheric Particulate Matter in Shandong Province (DB371996-2011) Table 2 discharge after requirement	0.0132 tonne/half a year	7.609 tonnes/year	Not exceeded	
	COD	Intermittent discharge with uncertain flow	1	Domestic sewage emission outlets	58 mg/L	Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015) Grade A	0.2574 tonne/half a year	2.2824 tonnes/year	Not exceeded	
	Ammonia nitrogen				11.1 mg/L		0.041 tonne/half a year			0.163 tonne/year
Wuhu CIMC Ruijiang Automobile CO LTD. ("WHVS")	Non-methane	Exhaust gas: emission through 15-metre tall exhaust pipes after spray + photo-oxidation + activated carbon adsorption	6	Exhaust gas: 3 to No. 1 factory and 3 to No. 2 factory	1.36 mg/m ³	Integrated Emission Standard of Air Pollutants (GB16297-1996) Standard Level 2 in Table 2, Control Standard of Volatile Organic Compounds from Industrial Enterprises (DB13/2322-2016) local standard in Hebei Province	0.638 tonne/half a year	0.654 tonne/year	Not exceeded	
	SO2				7 mg/m ³		0.177 tonne/half a year			0.206 tonne/year
	NOX				16 mg/m ³		0.955 tonne/half a year			1.3 tonnes/year
	Particulate matter				26.3 mg/m ³		3.345 tonnes/half a year			12.369 tonnes/year
	COD	Domestic sewage is discharged into municipal wastewater network	1	Wastewater treatment station	41.5 mg/L	Integrated Wastewater Discharge Standard (GB8978-1996)	2.01 tonnes/half a year	3.009 tonnes/year	Not exceeded	
	SS				2.5 mg/L		0.121 tonne/half a year			1.003 tonnes/year
	Total nitrogen				55.5 mg/L		0.1692 tonne/half a year			0.25 tonne/year
	Ammonia nitrogen				2.0 mg/L		0.097 tonne/half a year			0.125 tonne/year
	Fluoride				Fluoride 0.085 mg/L		0.004 tonne/half a year			0.003 tonne/year
	Petroleum			Petroleum 0.88 mg/L		0.043 tonne/half a year	0.050 tonne/year	Not exceeded		
	Animal and vegetable oil			Animal and vegetable oil 0.895 mg/L		0.043 tonne/half a year	0.075 tonne/year	Not exceeded		

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Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission	Approved total emission	Excessive emission				
Qingdao CIMC Special Vehicle Co., Ltd. ("Qingdao CIMC Special Vehicle")	Exhaust from painting, exhaust from drying paint;	Organised emission	3	Painting Workshop	Benzene congeners: 0.01-0.09 mg/m ³ ;	GB16297-1996 Standard Level 2	Benzene: 0.00136 tonne/half a year	Sum of methylbenzene and xylene: 18.360 tonnes/year	Not exceeded				
	-				Average of methylbenzene and xylene: 3.13 mg/m ³ ;		Methylbenzene: 0.02781 tonne/half a year			TVOCs: 33.640 tonnes/year			
	Benzene congeners, TVOCs, methylbenzene, xylene				Average of TVOCs: 12 mg/m ³ ;		Xylene: 0.803 tonne/half a year						
	Sanding exhaust, sand cleaning-out exhaust;		2	Painting Workshop	Average 6.65 mg/m ³	GB16297-1996 Standard Level 2	Particulate matter: 0.1454 tonne/half a year	Particulate matter: 0.81 tonne/year	Not exceeded				
	-												
Nantong CIMC Tank Equipment Co., Ltd. ("Nantong CIMC Tank")	Particulate matter		1	Company waste water outlet	34 mg/L	500 mg/L	2.5355 tonnes/half a year	10.7069 tonnes/year	Not exceeded				
	COD	Organised											
	Ammonia nitrogen	Organised								0.787 mg/L	45 mg/L	0.112 tonne/half a year	1.445 tonnes/year
	Particulate matter	Organised	4	Standard tank sandblasting	41.5 mg/m ³	120 mg/m ³	0.60 tonne/half a year	3.05 tonnes/year	Not exceeded				
										End frame sandblasting	34.2 mg/m ³	120 mg/m ³	Not exceeded
										Carbon steel blasting	24.9 mg/m ³	120 mg/m ³	Not exceeded
										Special tank sandblasting	<20 mg/m ³	120 mg/m ³	Not exceeded
	Methylbenzene	Organised	4	Standard tank	0.517 mg/m ³	40 mg/m ³	0.2124 tonne/half a year	0.688 tonne/year	Not exceeded				
										End frame	0.554 mg/m ³	40 mg/m ³	Not exceeded
										Carbon tank	0.431 mg/m ³	40 mg/m ³	Not exceeded
										Special tank	0.807 mg/m ³	40 mg/m ³	Not exceeded
	Xylene	Organised	4	Standard tank	2.5 mg/m ³	70 mg/m ³	1.007 tonnes/half a year	5.762 tonnes/year	Not exceeded				
End frame										10.9 mg/m ³	70 mg/m ³	Not exceeded	
Carbon tank										0.213 mg/m ³	70 mg/m ³	Not exceeded	
Special tank										1.76 mg/m ³	70 mg/m ³	Not exceeded	
Non-methane	Organised	4	Standard tank	2.36	120 mg/m ³	1.0016 tonnes/half a year	14.57438 tonnes/year	Not exceeded					
									End frame	11.7	120 mg/m ³	Not exceeded	
									Carbon tank	2.86	120 mg/m ³	Not exceeded	
									Special tank	2.64	120 mg/m ³	Not exceeded	

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Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission	Approved total emission	Excessive emission
Nantong CIMC Energy Equipment Co, Ltd. ("Nantong CIMC Energy Equipment")	Particulate matter	Emission after organised treatment	3	Low temperature workshop (2 exhaust pipes); tanker workshop (1 exhaust pipe)	Particulate matter 0.5-1.82 mg/m ³	Integrated Emission Standard of Air Pollutants (GB16297-1996)	0.252 tonne/half a year	1.293 tonnes/year	Not exceeded
	Methylbenzene	Emission after organised treatment	5	Low temperature workshop (5 exhaust pipes); tanker workshop (1 exhaust pipe)	0.0061-0.0887 mg/m ³	40 mg/m ³	0.002 tonne/half a year	0.123 tonne/year	Not exceeded
	Xylene				0.012-11.8 mg/m ³	70 mg/m ³	0.44 tonne/half a year	1.32 tonnes/year	Not exceeded
	Non-methane				6.63-12.00 mg/m ³	120 mg/m ³	0.094 tonne/half a year	2.449 tonnes/year	Not exceeded
	COD	Emission after organised treatment	1	Waste water main drainage	55 mg/L	500 mg/L	0.341 tonne/half a year	11.827 tonnes/year	Not exceeded
	Ammonia nitrogen				3.40 mg/L	45 mg/L	0.197 tonne/half a year	1.192 tonnes/year	Not exceeded
	SS				16 mg/L	400 mg/L	0.159 tonne/half a year	4.022 tonnes/year	Not exceeded
	Total phosphorus				3.22 mg/L	8 mg/L	0.014 tonne/half a year	0.111 tonne/year	Not exceeded
Zhangjiagang CIMC Sanctum Cryogenic Equipment Machinery Co., Ltd. ("Sanctum Cryogenic Equipment")	Particulate matter	Organised	4	No.1 sandblasting room No.2 sandblasting room No.3 sandblasting room No.4 sandblasting room	23.8 mg/m ³ 25.4 mg/m ³ 22.4 mg/m ³ 54.6 mg/m ³	120 mg/m ³	3.72 tonnes/half a year	5 tonnes/year	Not exceeded
	Methylbenzene	Organised	2	No.1 painting room No.2 painting room	0.0742 mg/m ³ 0.0318 mg/m ³	40 mg/m ³ 40 mg/m ³	0.013 tonne/half a year	2 tonnes/year	Not exceeded
	Xylene			No.1 painting room No.2 painting room	0.148 mg/m ³ 1.98 mg/m ³	70 mg/m ³ 70 mg/m ³	0.142 tonne/half a year	2 tonnes/year	Not exceeded
	Non-methane			No.1 painting room No.2 painting room	6.78 mg/m ³ 0.97 mg/m ³	80 mg/m ³ 80 mg/m ³	1.02 tonnes/half a year	Not approved	Not exceeded
Shijiazhuang Enric Gas Equipment Co., Ltd. ("Shijiazhuang Gas Equipment")	COD	Organised emission	1	Waste water main drainage	80 mg/L	500 mg/L	3.28 tonnes/half a year	6.374 tonnes/year	Not exceeded
	Ammonia nitrogen				6.83 mg/L	45 mg/L	0.25 tonne/half a year	0.961 tonne/year	Not exceeded
	Nitric oxide	Organised emission	54	Heat treatment furnace, curing furnace, heating furnace in painting room, etc.	0.004-62 mg/m ³	400 mg/m ³	1.365 tonnes/half a year	2.808 tonnes/year	Not exceeded
	Sulfur dioxide				5-23 mg/m ³	400 mg/m ³	6.387 tonnes/half a year	18.569 tonnes/year	Not exceeded
	Particulate matter			Heat treatment furnace, curing furnace, heating furnace in painting room, sanding room, putty room, outer polishing machine, etc.	3.8-14.2 mg/m ³	120 mg/m ³	0.8 tonne/half a year	Not approved	Not exceeded
	Non-methane			19 painting treatment facility exhaust pipes	3.74-14.0 mg/m ³	80 mg/m ³	0.93 tonne/half a year	Not approved	Not exceeded
	Sum of methylbenzene and ylene				0.422-6.82 mg/m ³	40 mg/m ³	0.45 tonne/half a year	Not approved	Not exceeded

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Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission	Approved total emission	Excessive emission
Shenzhen CIMC - TianDa Airport Support Ltd. ("TAS")	TVOC	Emission through 15-metre tall exhaust pipes	3	North side of the No.1 workshop; North side of the No.2 workshop;	Component paint exhaust: 18.30 mg/m ³ Primer and intermediary spray paint exhaust: 8.21-22.20 mg/m ³ Topcoat spray paint exhaust: 4.03-18.60 mg/m ³	DB44/21-2001 time slot II Standard Level 2; Emission Standard of Volatile Organic Compounds for surface coating (vehicle manufacturing industry)	4,724 tonnes/half a year	1,528 million standard cubic metres/year (maximum exhaust emission under the emission permit)	Not exceeded
	Benzene	Emission through 15-metre tall exhaust pipes	3	North side of the No.1 workshop; North side of the No.2 workshop;	Component paint exhaust: 0.023 mg/m ³ Primer and intermediary spray paint exhaust: 0.831 mg/m ³ Topcoat spray paint exhaust: 0.242 mg/m ³		0.078 tonne/half a year		Not exceeded
	Methylbenzene+ Xylene	Emission through 15-metre tall exhaust pipes	3	North side of the No.1 workshop; North side of the No.2 workshop;	Component paint exhaust: 0.648 mg/m ³ Primer and intermediary spray paint exhaust: 1.157-8.13 mg/m ³ Topcoat spray paint exhaust: 0.205-2.79 mg/m ³		0.991 tonne/half a year		Not exceeded
	Particulate matter	Emission through 15-metre tall exhaust pipes	5	North side of the No.1 workshop; North side of the No.2 workshop;	Component sanding exhaust: 35 mg/m ³ ; Sanding room exhaust: 12.5 mg/m ³ Sand cleaning-out room Exhaust: 6.8 mg/m ³	DB44/21-2001 time slot II Standard Level 2;	4,902 tonnes/half a year		Not exceeded
	Fume from canteens	After flowing through ventilation on the top of buildings, treatment with static purifiers and emission at high altitude	1	Top of the canteens	Fume emission concentration: 0.9 mg/m ³	DB44/21-2001 time slot II Standard Level 2;	0.019 tonne/half a year		Not exceeded
	Exhaust from backup generator		1	West wing of the office building	Ringelman emittance < 1	DB44/21-2001 time slot II Standard Level 2;			Not exceeded

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Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of Emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission	Approved total emission	Excessive emission
C&C Trucks Co., Ltd. ("C&C Trucks")	Nitric oxide	Emission through 25-metre tall exhaust pipes	1	East side of the body painting workshop	58 mg/m ³	Standard Level 2 of Integrated Emission Standard of Air Pollutants (GB16297-1996)	SO ₂ : 0.36 tonne/half a year NOX: 2.54 tonnes/half a year Methylbenzene: 0.039 tonne/half a year Xylene : 0.89 tonne/half a year Non-methane : 7.68 tonnes/half a year Particulate matter : 6.84 tonnes/half a year	Not approved	Not exceeded
	Sulfur dioxide				<2.5 mg/m ³				
	Particulate matter				<20 mg/m ³				
	Non-methane	4.88 mg/m ³							
	Nitric oxide	Emission through 25-metre tall exhaust pipes	1	West side of the frame workshop	39 mg/m ³	Standard Level 2 of Integrated Emission Standard of Air Pollutants (GB16297-1996)			Not exceeded
	Sulfur dioxide				<3 mg/m ³				
	Particulate matter				<20 mg/m ³				
	Non-methane	4.05 mg/m ³							
	Nitric oxide	Emission through 25-metre tall exhaust pipes	1	South side of the body painting workshop	65	Standard Level 2 of Integrated Emission Standard of Air Pollutants (GB16297-1996)			Not exceeded
	Sulfur dioxide				<2.5 mg/m ³				
	Methylbenzene				<7.5 mg/m ³				
	Xylene	<2.25 mg/m ³							
	Non-methane	6.29 mg/m ³							
Particulate matter	<20 mg/m ³								
Particulate matter	Emission through 15-metre tall exhaust pipes	1	East side of the frame workshop	<20 mg/m ³	Standard Level 2 of Integrated Emission Standard of Air Pollutants (GB16297-1996)			Not exceeded	
Methylbenzene	Emission through 40-metre tall exhaust pipes	1	West side of the body painting workshop	2.48 mg/m ³	Standard Level 2 of Integrated Emission Standard of Air Pollutants (GB16297-1996)			Not exceeded	
Non-methane	2.91 mg/m ³								
Particulate matter	<20 mg/m ³								
Nitric oxide	Emission through 15-metre tall exhaust pipes	2	West side of kinetic energy workshop	97 mg/m ³	Boiler Air Pollutant Discharge Standard (GB13271-2014)			Not exceeded	
Sulfur dioxide	<2.5 mg/m ³								
Particulate matter	<20 mg/m ³								
PH	The factory's main drainage outlet	1	Gate 1 of the factory	7.58	Integrated Wastewater Discharge Standard (GB8978-1996)	Non-dimensional	Not approved	Not exceeded	
SS				35 mg/L	Wastewater Quality Standards for Discharge to Municipal Sewers (CJ343-2010)	COD:4.56 tonnes/half a year			
COD				89.5 mg/L		BOD:2.35 tonnes/half a year			
BOD				44.6 mg/L		Ammonia nitrogen: 0.48 tonne/half a year			
Ammonia nitrogen				8.35 mg/L		SS: 2.15 tonnes/half a year			
Petroleum				0.9 mg/L		Petroleum : 0.06 tonne/half a year			
Phosphorus				0.041 mg/L		Total phosphorus: 0.02 tonne/half a year			
Zinc				0.039 mg/L		Total zinc: 0.0028 tonne/half a year			
Nickel				0.006 mg/L		Total nickel: 0.00025 tonne/half a year			

Chapter VI Significant Events

Construction and operation of pollution prevention and control facilities

Xinhui CIMC Container Co., Ltd.

Industrial sewage & Domestic sewage:

- ① Share 1 set of industrial sewage treatment facilities with XHCIMCS with a treatment capacity of 1,200 t/d which is recycled after treatment, and the sewage with no external emission;
- ② Share 1 set of domestic sewage treatment facilities with XHCIMCS with a treatment capacity of 4,500 t/d (1,300 t/d of domestic sewage and 3,200 t/d of initial rainwater) which will be discharged into the river in the northwest of the factory area after treatment.

Industrial exhaust:

- ① The VOCs exhaust gas is passed through dry filter cotton + activated carbon adsorption facilities (4 sets), with a treatment capacity of 320,800 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- ② Sanding dust control facilities (2 sets): bag dust collectors + water spray, with a treatment capacity of 139,200 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- ③ Boiler flue gas treatment facilities (2 sets): cyclone dust collectors + bag dust collectors, with a treatment capacity of 50,000 m³/h, emission through exhaust pipes after treatment in compliance with standards (where: according to the requirements of the district ecological environment bureau, the cancellation of registration of the original 4 tons of boilers in the Xinhui District Market Supervision Administration of Jiangmen City was conducted on 22 May 2019);
- ④ At present, 12 sets of welding fume treatment facilities have been completed, with a treatment capacity of 207,000 m³/h. The dust collecting hood is used to cover the concentrated area of the welding. The natural lifting force of the high-heat soot and the negative suction of the fan are used to control the welding fumes in the coverage area for centralized collection. The collected soot is treated by a plate filter and emitted after treatment in compliance with standards.

Hazardous waste:

Properly stored in hazardous waste warehouses. The company commissions qualified third party institutions for transportation and treatment of hazardous waste.

Chapter VI Significant Events

Xinhui CIMC Special
Transportation
Equipment Co., Ltd.

Industrial sewage & Domestic sewage:

- ① Share 1 set of industrial sewage treatment facilities with XHCIMCS with a treatment capacity of 1,200 t/d which is recycled after treatment, and the sewage with no external emission;
- ② Share 1 set of domestic sewage treatment facilities with XHCIMCS with a treatment capacity of 4,500 t/d (1,300 t/d of domestic sewage and 3,200 t/d of initial rainwater) which will be discharged into the river in the northwest of the factory area after treatment.

Industrial exhaust:

- ① Pre-treatment VOCs facilities (2 sets): Zeolite runner adsorption + catalytic oxidation (incineration), with a treatment capacity of 100,000 m³/h, emission through exhaust pipes after treatment in compliance with standards; C-line VOCs exhaust gas facilities (1 set): dry filter cotton + activated carbon adsorption, with a treatment capacity of 100,000 m³/h, emission through exhaust pipes after treatment in compliance with standards; B-line VOCs exhaust gas facilities (4 sets): spray tower + filter cotton filtration + multiphase catalytic oxidation, with a treatment capacity of 710,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- ② Sanding dust control facility (13 sets): bag dust collectors + water spray, with a treatment capacity of 597,987 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- ③ Welding fume treatment facilities (18 sets), with a treatment capacity of 418,000 m³/h. The dust collecting hood is used to cover the concentrated area of the welding. The natural lifting force of the high-heat soot and the negative suction of the fan are used to control the welding fumes in the coverage area for centralized collection. The collected soot is treated by a plate filter and emitted after treatment in compliance with standards.

Hazardous waste:

Properly stored in hazardous waste warehouses. The company commissions qualified third party institutions for transportation and treatment of hazardous waste.

Chapter VI Significant Events

Dongguan Southern CIMC
Logistic Equipment
Manufacturing Co., Ltd

Industrial sewage & Domestic sewage:

Industrial wastewater treatment facilities (1 set) with designed capacity of 200 t/d, which is recycled after treatment, and the sewage with no external emission.

Industrial exhaust:

- ① The first phase of organic waste gas facilities (4 sets), of which the primer paint adopts filter cotton + runner adsorption + RTO, with a treatment capacity of 200,000 m³/h; the exterior paint adopts filter cotton + water spray + UV photolysis, with a treatment capacity of 250,000 m³/h; intermediary paint/interior paint adopts filter cotton + water spray + UV photolysis, with a treatment capacity of 200,000 m³/h; black paint adopts filter cotton + water spray + UV photolysis, with a treatment capacity of 100,000 m³/h; the above will be emitted through exhaust pipes after treatment in compliance with standards;
- ② The first phase of sanding dust exhaust gas facilities (4 sets): cyclone + filter element (cylinder), with a treatment capacity of 364,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- ③ The first phase of welding fume exhaust gas facilities (4 sets): electrostatic dust removal, with a treatment capacity of 244,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- ④ The first phase of industrial wastewater odor treatment facilities (1 set): water spray + UV photolysis, with a treatment capacity of 15,000 m³/h, emission through exhaust pipes after treatment in compliance with standards.

Hazardous waste:

Properly stored in hazardous waste warehouses. The company commissions qualified third party institutions for transportation and treatment of hazardous waste.

Shenzhen Southern CIMC
Logistics Equipment
Manufacturing Co., Ltd.

Industrial sewage & Domestic sewage:

Industrial wastewater treatment facilities (1 set) with designed capacity of 450 t/d, which is recycled after treatment in compliance with standards, and the sewage with no external emission.

Industrial exhaust:

- ① Pre-treatment VOCs facilities (3 sets): activated carbon adsorption/desorption + water spray + UV photolysis, with a treatment capacity of 36,000 m³/h, 24,000 m³/h and 32,000 m³/h respectively, emission through exhaust pipes after treatment in compliance with standards;
- ② Coating line primer VOCs facilities (1 set): activated carbon adsorption/desorption + water spray + UV photolysis, with a treatment capacity of 172,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- ③ Coating line intermediary paint, interior paint, exterior paint, black paint and oasthouse VOCs facilities (1 set for each): activated carbon adsorption/desorption + UV photolysis, with a treatment capacity of 122,000 m³/h, 72,000 m³/h, 182,000 m³/h, 50,000 m³/h and 15,000 m³/h respectively, emission through exhaust pipes after treatment in compliance with standards.

Hazardous waste:

Properly stored in hazardous waste warehouses. The company commissions qualified third party institutions for transportation and treatment of hazardous waste.

Chapter VI Significant Events

Ningbo CIMC Logistics
Equipment Co., Ltd.

Industrial sewage & Domestic sewage:

Industrial wastewater treatment facilities (1 set) with treatment capacity of 200 t/d, industrial wastewater complied with standards after treatment will be reused with an upper limit of 50%, the remaining will be discharged and incorporated into the sewage collection pipes.

Industrial exhaust:

- ① Coating line water spray organic waste gas treatment facilities (6 sets), with a treatment capacity of 545,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- ② Pre-treatment sanding dust-removing filters (9 sets), with a treatment capacity of 270,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- ③ Full container sanding dust-removing filters (8 sets), with a treatment capacity of 160,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- ④ Welding fumes dust-removing filters (2 sets), with a treatment capacity of 80,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- ⑤ Pre-treatment solvent recovery + RTO facilities (1 set), with a treatment capacity of 60,000 m³/h, emission through exhaust pipes after treatment in compliance with standards.

Hazardous waste:

Properly stored in hazardous waste warehouses. The company commissions qualified third party institutions for transportation and treatment of hazardous waste.

Chapter VI Significant Events

Shanghai CIMC Baowell
Industries Co. Ltd.

Industrial sewage & Domestic sewage:

Industrial wastewater treatment facilities (1 set) with treatment capacity of 30 t/d, which is recycled after treatment in compliance with standards, and the sewage with no external emission.

Industrial exhaust:

- ① Pre-treatment VOCs RTO facilities (1 set), with a treatment capacity of 36,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- ② Zinc-rich paint VOC activated carbon adsorption + steam desorption + condensation recovery facility (1 set), with treatment capacity of 81,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- ③ Exterior paint VOC activated carbon adsorption + steam desorption + condensation recovery facility (1 set), with treatment capacity of 100,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- ④ Intermediary and interior paint VOC activated carbon adsorption + steam desorption + condensation recovery facility (1 set), with treatment capacity of 91,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- ⑤ Pre-treatment sanding dust-removing filters (5 sets), with a treatment capacity of 149,000 m³/h, emission through 3 exhaust pipes after treatment in compliance with standards;
- ⑥ Second-time sanding dust filters (4 sets), with a treatment capacity of 214,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- ⑦ Welding fumes dust-removing filters (9 sets), with a treatment capacity of 589,000 m³/h, emission through exhaust pipes after treatment in compliance with standards.

Hazardous waste:

Properly stored in hazardous waste warehouses. The company commissions qualified third party institutions for transportation and treatment of hazardous waste.

Shanghai CIMC Yangshan
Logistics
Equipments Co., Ltd.

Industrial sewage & Domestic sewage:

Industrial sewage treatment facility (1 set) with treatment capacity of 100 t/d, which is recycled after treatment in compliance with standards, and the sewage with no external emission.

Industrial exhaust:

- ① VOCs control facilities (4 sets), spiral water painting mist removal treatment system + filtration + activated carbon adsorption + steam desorption + condensation recovery treatment, a total of 350,000 (Nm³/h), emission through exhaust pipes after treatment in compliance with standards;
- ② Pre-treatment dust control facility (5 sets), emission through exhaust pipes after treatment in compliance with standards;
- ③ Second-time sanding dust control facility (3 sets), emission through exhaust pipes after treatment in compliance with standards.

Hazardous waste:

Properly stored in hazardous waste warehouses. The company commissions qualified third party institutions for transportation and treatment of hazardous waste.

Chapter VI Significant Events

Taicang CIMC Containers
Co., Ltd.

Industrial sewage & Domestic sewage:

1 sewage treatment station, with a treatment capacity of 80 m³/d, which is recycled after treatment in compliance with standards, and the sewage with no external emission (share with Taicang Special Equipment).

Industrial exhaust:

- ① Water rotary spray + filter cotton + activated carbon adsorption device (3 sets), with a designed maximum air volume of 120,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- ② Filter dust removal facilities (4 sets), the total installed design air volume is 15,000 m³/h, the front and rear design air volume is 47,000 m³/h, the chassis design air volume is 31,000 m³/h, and the side panel design air volume is 21,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- ③ Multi-tube cyclone + filter dust removal (1 set), with a designed air volume of 40,000 m³/h, emission through exhaust pipes after treatment in compliance with standards.

Hazardous waste:

Properly stored in hazardous waste warehouses. The company commissions qualified third party institutions for transportation and treatment of hazardous waste.

Taicang CIMC Special
Logistics Equipment
Co. Ltd.

Industrial sewage & Domestic sewage:

1 sewage treatment station, with a treatment capacity of 80 m³/d, which is recycled after treatment in compliance with standards, and the sewage with no external emission (share with TCCIMC).

Industrial exhaust:

- ① The coating line has 4 sets of water rotary spray + filter cotton + activated carbon adsorption devices, primer paint area: 20,000 for primer paint pre-painted room + 50,000 for primer paint spraying room = 70,000 m³/h; intermediary paint area: 20,000 for intermediary paint pre-painted room + 50,000 for intermediary paint spraying room + 45,000 for interior paint room = 115,000 m³/h; exterior paint pre-painting area: 55,000 for exterior paint pre-painted room + 6,000 for high-temperature drying room = 61,000 m³/h; exterior paint spraying room area: 45,000 for exterior paint spraying room + 45,000 for dividing line room = 90,000 m³/h; emission through exhaust pipes after treatment in compliance with standards;
- ② There are 3 sets of filter dust removal for welding fume removal, 1# dust collector air volume: 22,000 m³/h; 2# dust collector air volume: 16,000 m³/h; 3# dust collector air volume: 35,000 m³/h; emission through exhaust pipes after treatment in compliance with standards;
- ③ There are 3 sets of multi-tube cyclone + filter dust removal, with designed air volume of 40,000 m³/h/set, and the total air volume of 3 sets is 120,000 m³/h; emission through exhaust pipes after treatment in compliance with standards;
- ④ Pretreatment has 1 set of water curtain + filter cotton + molecular sieve + RTO, with designed air volume of 60,000 m³/h; emission through exhaust pipes after treatment in compliance with standards.

Hazardous waste:

Properly stored in hazardous waste warehouses. The company commissions qualified third party institutions for transportation and treatment of hazardous waste.

Chapter VI Significant Events

CIMC Taicang Refrigeration
Equipment Logistics Co., Ltd.

Industrial sewage & Domestic sewage:

The grid and sedimentation tank chlorinated salt are used for flocculation and sedimentation treatment facilities (1 set), with a treatment capacity of 45 m³/d. The wastewater generated by the water mist spray device is recycled and reused, and the sewage with no external emission.

Industrial exhaust:

- ① Cyclone dust removal + bag collectors (15 sets), with a treatment capacity of 45,000 m³/h (2 sets), 50,000 m³/h (7 sets); 20,000 m³/h (2 sets) and 55,000 m³/h (4 sets), respectively; emission through exhaust pipes after treatment in compliance with standards;
- ② Bag collectors (2 sets), with a treatment capacity of 20,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- ③ Water curtain spray + filter cotton + bag collectors + secondary activated carbon adsorption (activated carbon supporting catalytic combustion device) (3 sets), with a treatment capacity of 40,000 m³/h (2 sets, of which all tail gas returned to the workshop for one set and part of tail gas returned to the workshop for another) and 30,000 m³/h (1 set), respectively; emission through exhaust pipes after treatment in compliance with standards;
- ④ Regenerative catalytic combustion bed + exhaust gas return to the workshop facilities (1 set), with a treatment capacity of 5,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- ⑤ Bag collectors + paint mist filter + molecular sieve rotor concentration + endothermic catalytic combustion device (1 set), with a treatment capacity of 60,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- ⑥ filter cotton + secondary activated carbon adsorption device (supporting activated carbon catalytic combustion regeneration device) (5 sets), with a treatment capacity of 50,000 m³/h (3 sets), 30,000 m³/h (1 set) and 16,000 m³/h (1 set), respectively; emission through exhaust pipes after treatment in compliance with standards.

Hazardous waste:

Properly stored in hazardous waste warehouses. The company commissions qualified third party institutions for transportation and treatment of hazardous waste.

Chapter VI Significant Events

Nantong CIMC Special
Transportation Equipment
Manufacture Co., Ltd.

Industrial sewage & Domestic sewage:

Waste water treatment facilities (1 set) with capacity of 600 t/d, and emission when complied with standards after treatment.

Industrial exhaust:

- ① 1 set of VOCs activated carbon adsorption + desorption with treatment capacity of 80,000 m³/h for pre-treatment; emission through exhaust pipes after treatment in compliance with standards;
- ② 1 set of VOCs activated carbon adsorption and desorption with catalytic combustion with treatment capacity of 100,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- ③ 3 sets of VOCs activated carbon adsorption and desorption with treatment capacity of 160,000 m³/h + 160,000 m³/h + 40,000 m³/h respectively, emission through exhaust pipes after treatment in compliance with standards;
- ④ 4 sets of sanding dust-removing filter with treatment capacity of (33,000 *4) m³/h, emission through exhaust pipes after treatment;
- ⑤ 2 sets of full container sanding dust-removing filter with treatment capacity of (50,000 *2) m³/h, emission through exhaust pipes after treatment;
- ⑥ 2 sets of welding dust-removing filter, with treatment capacity of (85,000 *2) m³/h, emission through exhaust pipes after treatment.

Hazardous waste:

Properly stored in hazardous waste warehouses. The company commissions qualified third party institutions for transportation and treatment of hazardous waste.

Chapter VI Significant Events

Yangzhou Runyang Logistic
Equipment Co., Ltd.

Industrial sewage & Domestic sewage:

The production wastewater is reused after being treated by the sewage treatment station in the plant with no external emission.

After the waste water is pretreated by the septic tank, the canteen wastewater is pretreated by the grease trap and then connected to the municipal sewage pipe network and sent to the Liuwei Wastewater Treatment Plant of Yangzhou for centralized treatment.

Industrial exhaust:

- ① The blasting gas generated by the steel plate pretreatment line is collected by the pipeline under negative pressure, and then discharged through the exhaust pipes after being processed by the "multiple cyclone dust removal + filter dust removal + water curtain dust collector" device;
- ② The welding gas of the standard container line and the special container A line is collected by the collecting hood and then and then discharged through the exhaust pipes after being processed by the "filter cartridge filter" or "plate soldering dust remover" device;
- ③ After collecting the waste gas from the second sanding of the standard container line, the special container line A and the special container line B by the negative pressure of the pipeline, the exhaust gas is centralized discharged through the exhaust pipes after being processed by the "filter element dust removal + water filter dust removal system" or "filter barrel filter" equipped with the equipment;
- ④ The light-tight exhaust gas of the standard container line is collected by the negative pressure, and then discharged through the exhaust pipes after being treated by the "filter dust collector";
- ⑤ Organic exhaust gas and particulate matter of paint mist sprayed on pretreatment line and special container B line (oily paint), after being collected by negative pressure, were centralized discharged through exhaust pipes after being treated by "primary and intermediate filtration + activated carbon adsorption and desorption + catalytic combustion device";
- ⑥ Organic exhaust gas and particulate matter of paint mist sprayed on standard container line, special container A line coating line (mainly water-based paint, repairing spray mark using a small amount of oil paint), after being collected by negative pressure, were centralized discharged through exhaust pipes after being treated by "primary medium effect filtration + activated carbon adsorption" and "water curtain/water rotation + preliminary medium effect filtration + activated carbon adsorption";
- ⑦ The biochemical treatment waste gas from the sewage treatment station is collected by the negative pressure, and centralized discharged through exhaust pipes after being treated by the "activated carbon adsorption device";
- ⑧ The waste gas from storage and paint residue drying in hazardous waste depot is collected by negative pressure and centralized discharged through exhaust pipes after being treated by "activated carbon adsorption device".

Hazardous waste:

Properly stored in hazardous waste warehouses. The company commissions qualified third party institutions for transportation and treatment of hazardous waste.

Chapter VI Significant Events

Yangzhou Tonglee Reefer
Container Co., Ltd.

Industrial sewage & Domestic sewage:

There is no production wastewater; domestic wastewater is filtered through oil separator and septic tank respectively, and then centralized into sewage treatment plant through the outlet of domestic wastewater.

Industrial exhaust:

- ① 2 sets of VOCs zeolite runner + catalytic oxidation facility for coating treatment, with a treatment capacity of 300,000 m³/h, emission through exhaust pipes after treatment;
- ② 2 sets of assembly box bottom asphalt spraying treatment VOCs honeycomb filter paper + activated carbon tank facilities, with a treatment capacity of 16,000 m³/h, emission through exhaust pipes after treatment;
- ③ The total assembly 1 # wire welding fume is discharged after treated by the fixed welding fume dedusting; other welding fumes are discharged after treated by 28 mobile welding fume dedusting devices.

Hazardous waste:

Properly stored in hazardous waste warehouses. The company commissions qualified third party institutions for transportation and treatment of hazardous waste.

Qingdao CIMC Container
Manufacture Co., Ltd.

Industrial sewage & Domestic sewage:

1 set of industrial sewage treatment facilities (flocculation and sedimentation + biochemical oxidation), with a treatment capacity of 120 t/d. Most of them are reused after treatment, and a few of them are discharged and incorporated into the sewage collection pipes after standard treatment.

Industrial exhaust:

- ① Molecular sieve adsorption + catalytic combustion organic waste gas treatment facility (1 set) with a treatment capacity of 140,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- ② Activated carbon adsorption + catalytic combustion of organic waste gas treatment facilities (3 sets) with a treatment capacity of 120,000 m³/h (1 set) and 140,000 m³/h (2 sets) respectively, emission through exhaust pipes after treatment in compliance with standards;
- ③ Cyclone filter barrel dust collector + water curtain dust collector (9 sets), emission through exhaust pipes after treatment in compliance with standards;
- ④ Cyclone filter barrel dust collectors (2 sets), emission through exhaust pipes after treatment in compliance with standards.

Hazardous waste:

Properly stored in hazardous waste warehouses. The company commissions qualified third party institutions for transportation and treatment of hazardous waste.

Chapter VI Significant Events

Qingdao CIMC Reefer
Container Manufacture
Co., Ltd.

Industrial sewage & Domestic sewage:

Spray paint wastewater medicine feeding (PAC, PAM) recycling and reuse treatment facility with treatment capacity of 50 t/d. The company commissions external institutions for subsequent treatment with no discharge into the environment.

Industrial exhaust:

- ① 2 sets of VOCs activated carbon adsorption + RTO facilities with treatment capacity of 20,000 m³/h for pre-treatment,, emission through exhaust pipes after treatment in compliance with standards;
- ② 1 set of glue spray VOCs activated carbon adsorption + RTO facilities with treatment capacity of 80,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- ③ 1 set of painting VOCs activated carbon adsorption + RTO facilities with treatment capacity of 120,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- ④ 4 sets of filter bags dust-removing facilities with treatment capacity of 20,000 m³/h for pre-treatment, emission through exhaust pipes after treatment in compliance with standards;
- ⑤ 4 sets of filter bags dust-removing facilities in container sandblasting with treatment capacity of 80,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- ⑥ 4 sets of filter bags dust-removing facilities in container zinc blasting with treatment capacity of 55,000 m³/h, emission through exhaust pipes after treatment in compliance with standards.

Hazardous waste:

Properly stored in hazardous waste warehouses. The company commissions qualified third party institutions for transportation and treatment of hazardous waste.

Chapter VI Significant Events

Tianjin CIMC Containers
Co., Ltd.

Industrial sewage & Domestic sewage:

- ① Industrial sewage treatment facility (1 set) with treatment capacity of 100 t/d, which is recycled after treatment in compliance with standards, and the sewage with no external emission;
- ② Domestic sewage treatment facility (1 set) with treatment capacity of 450 t/d, part of which is recycled after treatment in compliance with standards, and the remaining sewage are discharged to sewage treatment plant.

Industrial exhaust:

- ① Thick plate pre-treatment VOCs control facilities (1 set): Applied concentrated rotor + RTO facility, with treatment capacity of 54,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- ② Thin plate pre-treatment VOCs control facilities (1 set): activated carbon adsorption and desorption + catalytic combustion facilities, with treatment capacity of 22,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- ③ Painting VOCs control facilities (3 sets): water scrubber +activated carbon adsorption and desorption + catalytic combustion facilities, with treatment capacity of 420,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- ④ Dust control facilities (11 sets): one-level sedimentation pond + multi-cyclone dust collectors + bag dust collectors, with a total treatment capacity of 443,000 m³/h, emission through exhaust pipes after treatment in compliance with standards.

Hazardous waste:

Properly stored in hazardous waste warehouses. The company commissions qualified third party institutions for transportation and treatment of hazardous waste.

Chapter VI Significant Events

Dalian CIMC Containers Co., Ltd.	<p>Industrial sewage & Domestic sewage: Industrial sewage treatment facility (2 sets) with designed treatment capacity of 120 t/d, which is recycled after treatment and the sewage with no external emission.</p> <p>Industrial exhaust:</p> <ul style="list-style-type: none"> ① 8 sets of VOCs activated carbon adsorption facilities, with designed treatment capacity of 700,000 m³/h, emission through exhaust pipes at high altitude after treatment in compliance with standards; ② 7 sets of dust exhaust filter treatment facilities with designed treatment capacity of 210,000 m³/h, which is discharged at high altitude after reaching the standard treatment, emission at high altitude after treatment in compliance with standards. <p>Hazardous waste: Properly stored in hazardous waste warehouses. The company commissions qualified third party institutions for transportation and treatment of hazardous waste.</p>
Zhumadian CIMC Huajun Casting Co. Ltd.	<p>Industrial sewage & Domestic sewage: No production wastewater discharged, and domestic sewage treated in the sedimentation pool.</p> <p>Industrial exhaust:</p> <ul style="list-style-type: none"> ① Applied pulse + bag collectors (exhaust) equipment and facility, and installed automatic online monitoring system; ② The paint line is equipped with an exhaust gas treatment facility (activated carbon, filter cotton). <p>Hazardous waste: Properly stored in hazardous waste warehouses. The company commissions qualified third party institutions for transportation and treatment of hazardous waste.</p> <p>Other environmental protection facilities: Increased secondary dust collection facilities in the smelting area, and oil paint facility transformed into water-based paint spraying facility.</p>

Chapter VI Significant Events

Yangzhou CIMC Tong Hua
Special Vehicles Co., Ltd.

Industrial sewage & Domestic sewage:

The production wastewater in the plant area in Yangtze River road is hydrostatic test wastewater and spray paint leaching wastewater. The hydraulic test wastewater and spray rinsing wastewater are recycled. The domestic sewage is discharged into the sewage pipe network and treated by the sewage treatment plant after being settled by the septic tank.

Industrial exhaust:

The painthouse chimney has activated carbon adsorption + catalytic combustion device.

Hazardous waste:

There are solid waste yards, and the collection, storage and transshipment of solid waste are carried out in accordance with relevant laws and regulations.

Shenzhen CIMC Special
Vehicle Co., Ltd.

Industrial sewage & Domestic sewage:

There is one set of sewage treatment facilities, which mainly processes the pre-treatment wastewater of electrostatic spray powder silane liquid on the coating line. The treated water is recycled and no production wastewater is produced. The device is currently running normally.

Industrial exhaust:

- ① Equipped with organic waste gas treatment facilities for water-based paint spraying, drying and powder drying (4 sets). The equipment is currently in normal use;
- ② Equipped with sanding exhaust treatment devices (1 set). The equipment is currently in normal use;
- ③ Equipped with welding fumes control facilities (3 sets). The equipment is currently in normal use;
- ④ Equipped with cooking fume purifier device (1 set). The equipment is currently in normal use.

Hazardous waste:

Equipped with 1 temporary hazardous waste storage warehouse. The warehouse is currently in normal use.

Chapter VI Significant Events

Dongguan CIMC Special
Vehicle Co., Ltd.

Industrial sewage & Domestic sewage:

The coating workshop is equipped with a wastewater treatment station with a total treatment capacity of 237 t/d. The phosphating wastewater treatment system and the non-phosphorus wastewater treatment system are separately set for different characteristics of the paint shop wastewater:

- ① Phosphating wastewater treatment system adopts physical and chemical precipitation + ultrafiltration + RO reverse osmosis + DTRO + evaporation concentration process. After the treatment reaches the reuse water standard, the reclaimed water is reused to the phosphating process, while the concentrated wastewater is entrusted to external agencies for environmentally friendly and harmless treatment, thus realizing zero discharge of heavy metals;
- ② Non-phosphorus wastewater treatment system adopts physical and chemical precipitation + biochemical process + ultrafiltration + RO reverse osmosis + sand filtration process. The treated water which reaches the reuse standard is reused to the processes of pure water preparation, degreasing and washing. The concentrated water produced is further treated and discharged after reaching the level 4 standard of surface water.

The painting workshop has special personnel responsible for the daily operation of the wastewater treatment system, and each shift records the operation of the wastewater treatment station. In the first half of 2019, all the wastewater treatment stations operated normally, and there was no excessive discharge.

Industrial exhaust:

- ① 2 sets of laser cutting flue gas collection and treatment facilities with a total capacity of 12,000 m³/h;
- ② 5 sets of robotic welding flue gas collection and treatment facilities, with a total capacity of 147,000 m³/h;
- ③ 1 set of sanding and dust removal system with a total capacity of 73,000 m³/h;
- ④ 1 set of electrophoresis tank organic waste gas filtering device, with a total capacity of 36,500 m³/h;
- ⑤ 1 set of electrophoresis drying room exhaust gas catalytic combustion treatment device, with a total capacity of 3,000 m³/h.

Hazardous waste:

The company has a temporary storage warehouse for hazardous wastes. The surface of the warehouse has been hardened and is impermeable. Cofferdams are installed around the warehouse to prevent leakage. Different types of hazardous wastes are stored separately in the warehouse, and classified labels are set on the site.

Chapter VI Significant Events

CIMC-SHAC (Xi'An) Special Vehicle Co., Ltd.	<p>Industrial sewage & Domestic sewage: Equipped with a sewage treatment facility. The equipment is currently in normal use.</p> <p>Industrial exhaust: Equipped with VOCs control facilities (activated carbon adsorption + catalytic combustion), which is currently in normal use.</p> <p>Hazardous waste: Two hazardous waste storage rooms, which are currently in normal use.</p> <p>Other environmental protection facilities: Built with multi-tube parallel welding fume treatment facilities, mobile welding fume processor, which is currently in normal use.</p>
CIMC Vehicles (Shandong) Co. Ltd.	<p>Industrial sewage & Domestic sewage: The production wastewater is treated by electro-oxidation + air flotation + biofilm reaction + precipitation reverse osmosis treatment, and is reused in the production workshop for recycling. Domestic sewage is treated and discharged after in compliance with standards by combining physical and biochemical processes, with biochemical processes as the dominant process.</p> <p>Industrial exhaust: Dry filtration + activated carbon adsorption + catalytic combustion, UV photolysis purification, bag dust removal.</p> <p>Hazardous waste: There is a temporary storage room for dangerous waste, and it is disposed of by qualified units on a regular basis.</p>
Wuhu CIMC Ruijiang Automobile Co., Ltd.	<p>Industrial sewage & Domestic sewage: Self-built sewage treatment station (anaerobic + aerobic + precipitation + adsorption filtration).</p> <p>Industrial exhaust: Spray + UV photocatalytic + activated carbon adsorption; equipped with welding dust and dust removal equipment.</p> <p>Hazardous waste: Temporary storage of hazardous waste.</p>

Chapter VI Significant Events

Qingdao CIMC Special
Vehicle Co., Ltd.

Industrial sewage & Domestic sewage:

A set of sewage treatment facilities has been built, mainly for painting wastewater, and the treated water is recycled. Plan to upgrade.

Industrial exhaust:

- ① 1 set of painting waste gas treatment facilities (catalytic combustion + activated carbon adsorption); plan to upgrade.
- ② The assembly workshop has a set of sand exhaust gas treatment devices, and the facilities are currently in normal use;
- ③ The laser cutting machine in the blanking workshop is equipped with 1 set of smoke collecting device, and the facility is currently in normal use;
- ④ The welding workshop automatic welding equipment is equipped with 1 set of soot collecting devices, and the facilities are currently in normal use;
- ⑤ The welding workshop is equipped with 2 sets of mobile soot collecting devices, and the facilities are currently in normal use.

Hazardous waste:

There is one temporary storage point for hazardous waste, and the facilities are currently in normal use. Regularly entrust qualified units to carry out waste disposal.

Nantong CIMC Tank
Equipment Co., Ltd.

Industrial sewage & Domestic sewage:

- ① Wastewater treatment facilities, normal operation;
- ② Pickling wastewater treatment facility: acid-base neutralization + flocculation precipitation;
- ③ Paint wastewater treatment facility: biochemical treatment.

Industrial exhaust:

- ① 4 sets of spray paint treatment facilities (activated carbon adsorption + on-line desorption + catalytic combustion technology), all running normally;
- ② 4 sets of blasting waste gas treatment facilities (high-efficiency filter dust removal), all running normally.

Hazardous waste:

Hazardous waste storage sites meet environmental requirements. Regularly entrust qualified units to carry out waste disposal.

Chapter VI Significant Events

Nantong CIMC Energy
Equipment Co., Ltd.

Industrial sewage & Domestic sewage:

- ① Pickling wastewater treatment facility: acid-base neutralization + flocculation precipitation;
- ② Paint wastewater treatment facility: biochemical treatment;
- ③ Domestic sewage: aeration + flocculation + precipitation.

Industrial exhaust:

- ① 2 sets of spray paint treatment facilities (activated carbon adsorption + online desorption + catalytic combustion technology);
- ② 2 sets of sandblasting waste gas treatment facilities (cyclone dust removal + high efficiency filter).

Hazardous waste:

Hazardous waste storage sites meet environmental requirements. Regularly entrust qualified units to carry out waste disposal.

Zhangjiagang CIMC Sanctum
Cryogenic Equipment
Machinery Co., Ltd.

Industrial sewage & Domestic sewage:

The pickling wastewater treatment facility is in normal operation, with design process of "acid-base neutralization + flocculation precipitation + feton oxidation".

Industrial exhaust:

- ① 3 sets of paint exhaust gas treatment facilities (activated carbon adsorption + on-line desorption + catalytic combustion technology);
- ② 4 sets of sandblasting waste gas treatment facilities (cyclone dust removal + high efficiency filter).

Hazardous waste:

Hazardous waste storage sites meet environmental requirements. Regularly entrust qualified units to carry out waste disposal.

Shijiazhuang Enric Gas
Equipment Co., Ltd.

Industrial sewage & Domestic sewage:

The main outlet of the plant is equipped with sewage treatment station, which operates normally.

Industrial exhaust:

- ① Spray paint exhaust is equipped with 11 sets of filter cotton + two-level activated carbon adsorption devices;
- ② Acid washing waste gas is equipped with 2 sets of alkali spray towers;
- ③ The shot blasting waste gas is equipped with 9 sets of bag collectors and cyclone dust collectors.

Hazardous waste:

Equipped with temporary storage for hazardous waste. Regularly entrust qualified units to carry out waste disposal.

Other environmental protection facilities:

Welding fumes uses 56 mobile welding fume collection devices.

Chapter VI Significant Events

Shenzhen CIMC
– TianDa Airport
Support Ltd.

Industrial sewage & Domestic sewage:

Equipped with sewage treatment facility (1 set), mainly engaged in the treatment of spray paint rinsing waste water, recycling and use of the treated water and waste water-free production. The equipment is currently in normal use and under regular maintenance.

Industrial exhaust:

- ① Equipped with painting exhaust treatment facilities (3 sets) with activated carbon + catalytic combustion. The equipment is currently in normal use;
- ② Equipped with sanding exhaust treatment devices (2 sets) with large cyclone plus filter barrel filtration + water rotary tower filtration. The equipment is currently in normal use;
- ③ Equipped with sand cleaning-out exhaust treatment devices (1 set) with bucket filter. The equipment is currently in normal use;
- ④ Equipped with cooking fume purifier device (1 set) with electrostatic food fume evolution. The equipment is currently in normal use;
- ⑤ Equipped with power generator exhaust treatment device (1 set) with water bath filtration. The equipment is currently in normal use.

Hazardous waste:

Hazardous waste temporary storage has been built, and the facilities are in normal use at present.

C&C Trucks Co., Ltd.

Industrial sewage & Domestic sewage:

The wastewater in the factory area is treated by the self-built sewage treatment station, and adopted pretreatment + primary treatment + secondary biochemical treatment. The wastewater in the factory area is treated by the sewage treatment station and enters the riverside sewage treatment plant. The equipment runs normally.

Industrial exhaust:

- ① Bag dust collector is built in shot blasting line of frame combined workshop, and the equipment is in normal operation;
- ② RTO combustion device is built for frame electrophoresis drying in frame combined workshop, and the equipment is in normal operation;
- ③ Venturi paint mist capturing system is built in the paint spraying room of the car body painting workshop, and the equipment is in normal operation;
- ④ A DFTO exhaust gas incinerator imported from Germany was built in the paint drying room of the body painting workshop, and the equipment is in normal operation;
- ⑤ A DFTO exhaust gas incinerator imported from Germany was built in electrophoresis drying room of car body painting workshop, and the equipment is in normal operation;
- ⑥ An exhaust gas adsorption and filtration system was equipped in the paint refinishing room of car body painting workshop, and the equipment is in normal operation.

Hazardous waste:

Hazardous waste storage: equipped with a solid waste warehouse in the factory. Regularly entrust qualified units to carry out hazardous waste compliance disposal.

Other environmental protection facilities:

Welding fume purifiers were installed at welding stations; and the exhaust gas collection devices at the assembly line were debugged and activated.

Chapter VI Significant Events

Environmental impact assessment of construction projects and other environmental protection administrative licensing

Environmental impact assessment	31 critical pollutant dischargers have declared environmental impact assessment and obtained approval.
Sewage permits	<ol style="list-style-type: none"> (1) 1 critical pollutant discharger has obtained the national sewage permit: Huajun Vehicle Trading; (2) 17 critical pollutant dischargers hold local sewage permits: Xinhui CIMC, XHCIMCS, Dongguan Southern, SCIMCEL, CIMC Baowell, Nantong CIMC, Yangzhou Runyang, Yangzhou Tonglee, Shenzhen CIMCSV, Dongguan CIMCSV, XASV, YZTH, Nantong Tank Container, Nantong CIMC Energy, Sanctum Cryogenic Equipment, Shijiazhuang Enric, Shenzhen CIMC TianDa; (3) 8 critical pollutant dischargers are waiting for national sewage permits from the local environmental protection authorities: Ningbo CIMC, TCCIMC TUE, TCCIMCS, TCCRC, QCIMC, QDCIMCS, Tianjin CIMC, Dalian CIMC; (4) 12 critical pollutant dischargers are currently going through the formalities of national sewage permits: CIMC Yangshan, Shenzhen CIMCSV, Dongguan CIMCSV, XASV, Shandong CIMC, Wuhu Vehicle, QDSV, YZTH, Nantong Tank Container, Sanctum Cryogenic Equipment, Shenzhen CIMC TianDa, C&C Trucks.
Other environmental protection administrative licensing	<ol style="list-style-type: none"> ① CIMC Baowell: holds Shanghai municipal water discharge permits (Shanghai Water Affairs Certificate No. 056125080) ② CIMC Yangshan: holds Shanghai municipal water discharge permits (Verification of Shanghai and Pudong Water Authority [2017] No. 662) ③ C&C Trucks: completes the acceptance of Environmental Protection upon Completion of Construction Project.

Chapter VI Significant Events

Contingency plans for unexpected environment-related events

Whether the contingency plans have been prepared and have valid period	The emergency plans of 7 critical pollutant dischargers, including Xinhui CIMC, XHCIMCS, Dongguan Southern, Yangzhou Runyang, YZTH, Shandong CIMC and Dongguan CIMCSV are under reviewing, planned to be completed in the year. The rest 24 critical pollutant dischargers have prepared the environmental contingency plans.
Whether the contingency plans have been filed at governmental agencies	9 critical pollutant dischargers including Xinhui CIMC, XHCIMCS, Dongguan Southern, Yangzhou Runyang, Dalian CIMC, YZTH, Shandong CIMC, Dongguan CIMCSV and Nantong Tank Container are in the process of filing. The rest 22 critical pollutant dischargers have already been filed.
Whether the emergency drill has been carried out and documented	Two critical pollutant dischargers including SCIMCEL and Yangzhou Runyang plan to conduct environmental-related emergency drills in the second half of the year. The rest 29 critical pollutant dischargers have carried out environment-related emergency drills in the first half of the year.

Self-monitoring environmental program

The 31 critical pollutant dischargers carry out environmental monitoring, and delegate qualified inspection agencies to carry out regular inspections on exhaust, wastewater, noise, etc.

Other discloseable environmental information

31 critical pollutant dischargers under the Group's subsidiaries have publicized their environmental information through other channels such as websites of relevant governments or enterprises.

Other environment-related information

None

Whether the Company publishes social responsibility report

Yes No

Social responsibility report

Nature of the Company	Whether includes information on environment	Whether includes information on society	Whether includes information on corporate governance	Report disclosure standards	
				Domestic standards	Foreign standards
Others	Yes	Yes	Yes	GSRI-CHINA2.0 and the Environmental, Social and Governance Reporting Guide set out in Appendix 27 to the Stock Exchange Listing Rules	GRI

Chapter VI Significant Events

Continuous improvement

1. Whether received environmental management system certification (ISO14001)	A total of 44 enterprises within the Group obtained environmental management system certifications (ISO14001), and 19 out of the 31 critical pollutant dischargers were certified.
2. The annual expense in respect of environmental protection (RMB thousand)	The Group has invested more than RMB168.360 million in environmental protection in the first half of the year, of which more than RMB127.440 million was invested in major sewage discharge enterprises in the first half of the year.
3. The emissions reduction performance of "waste gas, wastewater and waste residue"	<p>Container manufacturing segment</p> <p>① Waste gas: Advanced molecular sieve concentration runner+high temperature oxidation process is adopted by Xinhui TEU, XHCIMCS, Southern CIMC, Dongguan Southern, Yangzhou Runyang, Yangzhou Tonglee, QCIMC and other enterprises to treat organic waste gas, realizing more efficient, stable and reliable standard treatment.</p> <p>② Wastewater: The coating wastewater treatment process is actively explored, most enterprises have achieved zero discharge of industrial wastewater at present; at the same time, some enterprises are also researching and developing processes for the treatment and reuse of domestic sewage. For example, after MBR biofilm sewage treatment in the factory, the domestic sewage in Xinhui base will be reused for greening and flushing purposes, with an annual emission reduction of approximately 36,000 tons of wastewater.</p> <p>③ Waste residue: Legal and compliant implementation of hazardous waste reduction projects. For example, replacing traditional paint buckets with recyclable packaging barrels is put into force in the whole container segment, eliminating the generation link of waste paint buckets from the source, which is expected to reduce hazardous waste by more than 20%. For example, in combination with the characteristics of water-based paint residue, a paint residue drying project is carried out to reduce the weight of paint residue by more than 50% and realize the reduction of hazardous waste.</p>

Chapter VI Significant Events

Road transportation vehicles segment

Through technical upgrade and equipment transformation, the improvement of “waste gas, wastewater and waste residue” has been implemented and the up-to-standard discharge has been ensured in the vehicle segment.

- ① Waste gas: The technical upgrade and transformation of the coating line is started, the original water-based painting process is changed to electrostatic powder spraying process, and the powder spraying does not generate VOC organic waste gas emissions, and only a very small amount of VOC organic waste gas is generated during powder drying. Therefore, after the coating line is completed and put into use in April 2019, VOC emissions will be significantly reduced, and the annual VOC emissions are expected to be reduced by more than 90%. After low nitrogen transformation, the nitrogen oxide emission concentration of gas boiler of CIMC Vehicles (Shandong) Co. Ltd. has been reduced from no more than 100 mg/m³ to no more than 50 mg/m³ after the low nitrogen modification, reducing the nitrogen oxide exhaust emission by 50%.
- ② Waste residue: Before transformation, the coating line of Shenzhen CIMC Special Vehicle Co., Ltd. produces about 200 tons of wastewater-based paint residue. After the technical upgrade and transformation, wastewater-based paint residue is basically no longer generated. Only about 7 tons/year of sludge are produced from the pretreatment of wastewater, and the amount of waste residue produced is reduced by about 97%.

Energy and chemical & liquid food equipment segment

- ① Realizing wastewater emission reduction: Shijiazhuang Enric saves about 1,000 tons water by recycling the deionized water, steel cylinder grinding water and acidic washing water.
 - ② Adding VOC treatment facilities: Nantong Tank Container and Sanctum reduce the VOCs emissions by adding paint spraying waste gas treatment facilities (activated carbon adsorption + catalytic combustion).
 - ③ Controlling the fugitive emission: Nantong CIMC Energy reduces the particle emissions by providing gas cylinder pipe cutting and cyclone dust treatment facilities as well as organized emission cyclone dust removal.
 - ④ Drying the Sludge to achieve hazardous waste reduction: By drying and reducing the sludge quantity, the moisture content of sludge is reduced from 80% to 50%, and the quantity of hazardous waste is reduced.
-

Chapter VI Significant Events

Offshore engineering segment

The three wastes emission reduction of the administered enterprises has been attached attention in the offshore engineering segment, and has been included in the key works for tracing and implementation.

- ① HCRO plans to transform the environmental protection equipment in the pre-treatment workshop in 2019, and has completed the tendering of equipment manufacturers, and will upgrade and transform the existing equipment during the production interval. After the transformation, the dust emission concentration will not exceed 10 mg/m³, and the VOCs emission concentration will not exceed 70 mg/m³.
- ② YCRO plans to transform the original hazardous waste warehouse in 2019, and is now applying to the government for the approval of construction and planning. The transformation of new hazardous waste warehouse will be implemented as per the standard requirements, which will not only meet the requirements for daily storage of production hazardous waste but also meet the specification requirements.
- ③ The offshore engineering segment collects the original units of various hazardous wastes in each enterprises, and reduce the original units of hazardous wastes through technical and management manners, so as to reduce the production of hazardous wastes from the source. It can not only meet the requirements for green business concept but also can reduce the disposal costs of hazardous wastes.

Airport facilities segment

- ① On the aspect of management of hazardous wastes, Tianda Airport changes the original disposable small-capacity metal vessels for primer, intermediate coat, etc. into recyclable large-capacity IBC stainless steel barrels, which is expected to reduce the waste container-type hazardous waste by at least 25 tons per year. In addition, for the glass facade gluing of Tianda Airport, the sealant dispensing speed is effectively controlled by purchasing rechargeable glue gun to replace manual glue gun to prevent serious overflow of sealant, so as to reduce the hazardous waste treatment capacity of surplus sealant.
 - ② Xinfra Airport strengthens the anti-seepage treatment of paint storage room floor and adds the paint collector to avoid the hidden danger of paint leakage.
 - ③ For waste gas treatment, considering that the standard tail gas emission of old diesel forklifts is not stable and the national latest requirements on waste gas emission, Tianda Airport purchased 6 forklifts that meet the national emission standards in the first half of the year, and the tail gas emissions meet the national waste gas emission standards.
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Chapter VI Significant Events

Heavy trucks segment

- ① Wastewater improvement: Perfect the online monitoring equipment of water quality, add on-line monitoring equipment of PH and phosphate and improve the transformation of aeration tank in sewage treatment station so as to ensure that various indicators are within the scope of standard.
- ② Waste gas improvement: The tail gas of vehicles belongs to hazardous waste and damages the health of employees. In order to improve the working environment for the type of work with harmful tail gas and guarantee the physical and psychological health of tail gas monitoring staff, collectors are mounted at the tail gas monitoring station.
- ③ Solid waste improvement: The standardized management of hazardous waste warehouses is implemented according to the standard for pollution control on hazardous waste storage, regular inspection and strict warehouse in-out system is carried out, and double draft system for hazardous waste transfer is strictly implemented.

Logistics services segment

In 2019, the logistics services segment takes the compliance with laws as the main line to comprehensively promote the treatment of "water, air, noise and slag", focuses on the equipment input and procedure improvement, and fully implements the environmental protection facilities input, environment monitoring, hazardous wastes treatment, contingency plans, system improvement and other works.

- ① The manufacturing enterprises have completed the self-acceptance of environmental protection and the filing of environmental protection contingency plans, and all environmental protection works have been basically on track. Refine the existing environment protection process, equipment facility operation, hazardous waste storage and disposal to comprehensively promote the environment protection compliance.
 - ② Yard enterprises fully put the sewage treatment equipment for container cleaning into force to realize recycling. Collect and filter the outdoor welding dust. Further standardize the storage and disposal of hazardous waste.
 - ③ Fully use light fuel oil and add domestic waste and wastewater crushing equipment to the shipping vessels, and repair the waste gas exhaust device of the vessel engine to realize compliance emission.
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Chapter VI Significant Events

2. Performance of Precise Poverty-alleviation Social Responsibility

Applicable Not Applicable

(1) Precise poverty-alleviation planning and overview of precise poverty-alleviation for the first half of the year

While realizing its own steady development, the Group will not forget to bring benefits to our hometown and give back to the society. The Group advocates and encourages its enterprises to commit themselves to building a harmonious relationship between enterprises and communities, and actively participate in various community activities to bring positive influence to community development. At the same time, enterprises are encouraged to support local education, culture, health and other public utilities, promote local economic development, organize unpaid blood donation, set up volunteer teams, donate materials and help the poor. The Group has actively implemented the policy of precise poverty alleviation, in order to give back to the society with great love and warm the world with action.

As a responsible corporate citizen, the Group has always paid attention to the development of regional public utilities, actively responded to the UN's sustainable development goals, and is committed to building community harmony and achieving a win-win situation. The enterprises have actively used their own advantages to carry out various activities. In terms of helping the poor, the Group has always adhered to the core concept of "people-oriented" and enthusiastically helped impoverished residents in the community and employees in enterprises.

Chapter VI Significant Events

(2) Achievements of precise poverty alleviation

Indicator	Measurement unit	Quantity/ Progress status
I. Overall situation	–	–
Among which:		
1. Funds	RMB in thousand	1,811.86
2. Material equivalents	RMB in thousand	80.35
3. Number of registered residents who have achieved poverty alleviation with the help of the Group	Person	66
II. Investment by category	–	–
1. Poverty alleviation by industrial development	–	–
Among which:		
1.1 Project type of poverty alleviation by industrial development	–	Poverty alleviation by asset income
1.2 Project number of poverty alleviation by industrial development	–	2
1.3 Investment in poverty alleviation by industrial development	RMB in thousand	900
1.4 Number of registered residents who have achieved poverty alleviation	Person	60
2. Poverty alleviation by transfer employment	–	–
Among which:		
2.1 Investment in vocational and technical training	RMB in thousand	12
2.2 Number of residents received vocational technical training	Person	87
2.3 Number of registered residents who have achieved employment	Person	5
3. Poverty alleviation by relocation	–	–
Among which:		
3.1 Number of relocated residents who have achieved employment	Person	–
4. Poverty alleviation by education	–	–
Among which:		
4.1 Investment in funding impoverished students	RMB in thousand	22.63
4.2 Number of impoverished students received funding	Person	27
4.3 Investment in educational resources improvement in poverty areas	RMB in thousand	36.76
5. Poverty alleviation by healthcare	–	–
Among which:		
5.1 Investment in healthcare resources in poverty areas	RMB in thousand	25
6. Poverty alleviation by ecological protection	–	–
Among which:		
6.1 Project type	–	To subsidize the improvement in appearance of Kaohou Village
6.2 Investment	RMB in thousand	120
7. Bottom protection	–	–
Among which:		
7.1 Investment in “left-behind residents”	RMB in thousand	–
7.2 Number of “left-behind residents” who have received help	Person	–
7.3 Investment in impoverished disabled person	RMB in thousand	80.5
7.4 Number of disabled residents who have received help	Person	23
8. Poverty alleviation by Society	–	–
Among which:		
8.1 Investment in poverty alleviation cooperation between the east and the west	RMB in thousand	–
8.2 Investment in fixed poverty alleviation work	RMB in thousand	30
8.3 Investment in poverty alleviation funds	RMB in thousand	–

Chapter VI Significant Events

Indicator	Measurement unit	Quantity/ Progress status
9. Other projects	-	-
Among which:		
9.1. Project number		
9.2. Investment	RMB in thousand	
9.3. Number of registered residents who have achieved poverty alleviation	Person	16
III. Awards received (title, level)	-	-
CIMC Hunan Wood Industry:		
1. In 2017, the company was recognized as "Shaoyang City Employment and Poverty Alleviation Base Enterprise".		
2. In 2018, the company was recognized as "Hunan Employment and Poverty Alleviation Base Enterprise".		
Xinhui CIMC:		
In 2018, the party committee of the company was recognized as advanced grassroots party organization of the Xinhui District.		

(3) Follow-up plan for precise poverty alleviation

According to the Company's long-term business strategy and poverty alleviation plan, in the future, we will continue to carry out education poverty alleviation and ecological protection poverty alleviation projects, such as various types of funding and assistance activities for impoverished students.

3. Performance of Other Social Responsibilities

The Company published the 2018 Social Responsibility and Environmental, Social and Governance Report on Cninfo website (www.cninfo.com.cn), the Company's website (www.cimc.com) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 27 March 2019.

Chapter VI Significant Events

XVII. EXPLANATION ON OTHER MATERIAL EVENTS

1. On 15 January 2019, the Resolution Regarding the Amendment to the Articles of Association of China International Marine Containers (Group) Co., Ltd., the Resolution Regarding the Amendment to the Rules of Procedures for the General Meeting of China International Marine Containers (Group) Co., Ltd., the Resolution Regarding the Amendment to the Rules of Procedures of the Board of Directors of China International Marine Containers (Group) Co., Ltd. and the Resolution Regarding the Amendment to the Rules of Procedures of the Board of Supervisors of China International Marine Containers (Group) Co., Ltd. were considered and approved at the first extraordinary general meeting for 2019, the first A Shareholders' class meeting for 2019 and the first H Shareholders' class meeting for 2019. For relevant information, please refer to the announcements published by the Company on China Securities Journal, Shanghai Securities News, Securities Times, Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcement No.: [CIMC] 2019-003) on 15 January 2019, as well as the relevant announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk).
2. On 30 January 2019, the Company has completed the issuance of the first tranche of super & short-term commercial papers of the Company for 2019 (hereafter referred to as the "Tranche I Super & Short-term Commercial Papers"). The proceeds raised from the Tranche I Super & Short-term Commercial Papers were fully received on 30 January 2019. The issuance amount of the Tranche I Super & Short-term Commercial Papers was RMB1.5 billion and the issue rate was 2.95% per annum. China Merchants Bank Co., Ltd. is the lead underwriter of the Tranche I Super & Short-term Commercial Papers. For relevant information, please refer to the announcements published by the Company on China Securities Journal, Shanghai Securities News, Securities Times, Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcement No.: [CIMC] 2019-005) on 30 January 2019, as well as the relevant announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk).
3. On 27 March 2019, "the Resolution Regarding Adoption of New Accounting Standards for Business Enterprises" was considered and approved at the third meeting of the eighth session of the Board of the Company in 2019, pursuant to which it was agreed that the Company shall adopt the Accounting Standards for Business Enterprises No. 21 – Leases since 1 January 2019, which was revised and issued by the Ministry of Finance of the PRC on 7 December 2018, in accordance with the national unified accounting system (hereafter referred to as the "Change in Accounting Policy"). The Change in Accounting Policy of the Company has been taken into effects from 1 January 2019. For relevant information, please refer to the announcements published by the Company on China Securities Journal, Shanghai Securities News, Securities Times, Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcement No.: [CIMC] 2019-013 and [CIMC] 2019-017) on 27 March 2019, as well as the relevant announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk).
4. On 27 March 2019, pursuant to the provisions and requirements under the CASBE and the Company's relevant accounting management system, the Group re-calculated and handled the accounting matters of provision amounts for impairment of various assets. The Group increased the provision for asset impairment by RMB2,819.708 million in 2018. For relevant information, please refer to the announcements published by the Company on China Securities Journal, Shanghai Securities News, Securities Times, Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcement No.: [CIMC] 2019-016) on 27 March 2019, as well as the relevant announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk).

Chapter VI Significant Events

5. On 27 March 2019, the Company's proposal to register and issue medium-term notes in an amount of no more than RMB8 billion and perpetual medium-term notes in an amount of no more than RMB2 billion was considered and approved at the third meeting of the eighth session of the Board of the Company in 2019. On 3 June 2019, the Resolution Regarding the Registration and Issuance of Medium-Term Notes (Including Perpetual Medium-Term Notes) was considered and approved at the Company's annual general meeting for 2018. For relevant information, please refer to the announcements published by the Company on China Securities Journal, Shanghai Securities News, Securities Times, Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcement No.: [CIMC] 2019-013, [CIMC] 2019-022 and [CIMC] 2019-045) on 27 March 2019 and 3 June 2019, as well as the relevant announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk).
6. On 15 April 2019, the Company completed the issuance of the first tranche of the Medium Term Note for 2019 (hereafter referred to as the "Tranche I Medium Term Note") according to a notice of acceptance of registration (Zhong Shi Xie Zhu No. [2018] MTN526) from the National Association of Financial Market Institutional Investors. The Tranche I Medium Term Note was issued at par with a size of RMB2.0 billion and a coupon rate of 4.05%. The lead underwriter of the issuance of the Tranche I Medium Term Note shall be Postal Savings Bank of China Co., Ltd., and the joint lead underwriter of the issuance of the Tranche I Medium Term Note shall be Ping An Bank Co., Ltd. For relevant information, please refer to the announcements published by the Company on China Securities Journal, Shanghai Securities News, Securities Times, Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcement No.: [CIMC] 2019-035) on 15 April 2019, as well as the relevant announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk).

Chapter VI Significant Events

Summary of significant events	Date of disclosure	Search index of the tentative announcement disclosure website
To consider and approve the Resolution Regarding the Amendment to the Articles of Association of China International Marine Containers (Group) Co., Ltd., the Resolution Regarding the Amendment to the Rules of Procedures for the General Meeting of China International Marine Containers (Group) Co., Ltd., the Resolution Regarding the Amendment to the Rules of Procedures of the Board of Directors of China International Marine Containers (Group) Co., Ltd. and the Resolution Regarding the Amendment to the Rules of Procedures of the Board of Supervisors of China International Marine Containers (Group) Co., Ltd.	15 January 2019	www.cninfo.com.cn www.hkexnews.hk www.cimc.com
To complete the issuance of the first tranche of super & short-term commercial papers of the Company for 2019	30 January 2019	
To consider and approve the Resolution Regarding Adoption of New Accounting Standards for Business Enterprises	27 March 2019	
To make a provision for asset impairment in 2018	27 March 2019	
To propose to register and issue medium-term notes in an amount of no more than RMB8 billion and perpetual medium-term notes in an amount of no more than RMB2 billion	27 March 2019	
To consider and approve the Resolution Regarding the Registration and Issuance of Medium-Term Notes (Including Perpetual Medium-Term Notes)	3 June 2019	
To complete the issuance of the first tranche of the Medium Term Note for 2019	15 April 2019	

Chapter VI Significant Events

XVIII. SIGNIFICANT EVENTS OF SUBSIDIARIES

Applicable Not Applicable

1. On 9 August 2018, as considered and approved by the 12th meeting of the eighth session of the Board in 2018, the Resolution Regarding the Proposed Overseas Listing of CIMC Vehicles (Group) Co., Ltd. was approved. The Company intends to spin off and list its subsidiary, CIMC Vehicles, on the Main Board of the Hong Kong Stock Exchange. The independent Directors of the eighth session of the Board have expressed their independent opinions on the relevant resolution. On 14 March 2019, CIMC Vehicles received the Approval on the Issuance of Overseas-listed Foreign Shares of CIMC Vehicles (Group) Co., Ltd. (Zheng Jian Xu Ke [2019] No. 356) from the CSRC, pursuant to which CIMC Vehicles was approved to issue overseas-listed foreign shares. On 31 March 2019, CIMC Vehicles has submitted the PHIP to the Hong Kong Stock Exchange in connection with the proposed spin-off and listing and has submitted the revised PHIP to the Hong Kong Stock Exchange on 23 June 2019. On 27 June 2019, CIMC Vehicles published the Prospectus in connection with the proposed spin-off and listing. On 10 July 2019, CIMC Vehicles published an announcement in connection with the global offering and final offer price. On 11 July 2019, H shares of CIMC Vehicles have been listed on the Main Board of the Hong Kong Stock Exchange and dealings in such shares commenced. On 2 August 2019, over-allotment option granted by CIMC Vehicles to international underwriters was not exercised during stabilizing period and lapsed on 2 August 2019. For relevant information, please refer to the announcements published by the Company on China Securities Journal, Shanghai Securities News, Securities Times, Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcement No.: [CIMC] 2019-009, [CIMC] 2019-029, [CIMC] 2019-055, [CIMC] 2019-056, [CIMC] 2019-061, [CIMC] 2019-062 and [CIMC] 2019-066) on 14 March 2019, 31 March 2019, 23 June 2019, 27 June 2019, 10 July 2019, 11 July 2019 and 2 August 2019, as well as the relevant announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk).
2. On 19 December 2018, the Resolution on Participating in the Rights Issue of TSC Group Holdings Limited was considered and approved at the twenty-fifth meeting in 2018 of the eighth session of the Board of directors of the Company, pursuant to which it was agreed that China International Marine Containers (Hong Kong) Limited, a wholly-owned subsidiary of the Company, will participate in the rights issue at a ratio of 1:1 in accordance with the 92,800,000 shares held by TSC Group Holdings Limited, which was renamed as CMIC Ocean En-Tech Holding Co., Ltd. on 13 February 2019 (hereafter referred to as "CMIC Ocean En-Tech Holding"). The subscription price is at HK\$0.45, and the subscription amount is HK\$41.76 million. The independent Directors of the eighth session of the Board of directors of the Company have expressed their independent opinions thereon. On 24 January 2019, the Group paid the amount of HK\$41,760,000 to subscribe for 92,800,000 shares of CMIC Ocean En-Tech Holding. For relevant information, please refer to the announcements published by the Company on China Securities Journal, Shanghai Securities News, Securities Times, Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcement No.: [CIMC] 2018-117 and [CIMC] 2019-004) on 19 December 2018 and 24 January 2019, as well as the relevant announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk).

Chapter VI Significant Events

3. In December 2018, Enric Shenzhen, a subsidiary of the Company, received certain litigation papers including notification calling for responses to the action and summons served by the Jiangsu Province High People's Court, where SOEG PTE LTD claimed that Enric Shenzhen shall (1) pay for the remaining balance of the equity transfer of RMB153,456,000; (2) bear the attorney fee loss of RMB50,000; (3) bear the costs of this litigation. The case has been accepted by the Jiangsu Province High People's Court. Enric Shenzhen has filed an objection to the jurisdiction to the said court. The time for first instance has not yet been determined. As at the end of the Reporting Period, no provision has been made for the aforesaid litigation. The aforesaid litigation has no material adverse impact on the Group's daily production and operation, financial status or solvency. For relevant information, please refer to the announcements published by the Company on China Securities Journal, Shanghai Securities News, Securities Times, Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) on 31 January 2019, as well as the relevant announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk).
4. Southern CIMC, a wholly-owned subsidiary of the Company, has entered into the Shenzhen Land Use Right Granting Contract (Shen Di He Zi (2006) No. 0193) and the first, second and third supplemental agreements (hereafter referred to as the "Original Contracts") in respect of land parcel T102-0152 located at Qianhai Shenzhen-Hongkong Cooperation Zone. On 9 October 2017, Southern CIMC entered into the Land Preparation Framework Agreement with Urban Planning, Land & Resources Commission of Shenzhen Municipality* (深圳市規劃和國土資源委員會) (hereafter referred to as the "Shenzhen UPLRCS") and the Authority of Qianhai Shenzhen-Hongkong Modern Service Industry Cooperation Zone of Shenzhen* (深圳市前海深港現代服務業合作區管理局) (hereafter referred to as the "Qianhai Authority") in respect of the land preparation issues of the land parcels of T102-0152, T102-0153 and T102-0154 located at Qianhai, Shenzhen. Pursuant to the Land Preparation Framework Agreement, Shenzhen UPLRCS and the Qianhai Authority agreed to arrange a land parcel with a site area of approximately 57,000 sq.m. as the site for the preliminary project of Southern CIMC, of which approximately 36,000 sq.m. of the land is used as the site for phase I of the preliminary project (the "Phase I Land"). On 19 February 2019, to further supplement on the relevant provisions in the Land Preparation Framework Agreement, Southern CIMC, a wholly-owned subsidiary of the Company, and Qianhai Authority entered into the fourth supplemental agreement to the Shenzhen Land Use Right Granting Contract (Shen Di He Zi (2006) No. 0193) and, at the same time, discharged the Original Contracts on land parcel T102-0152 and ceased to perform the rights and obligations as stipulated therein; and on 27 February 2019, the Qianhai CIMC City Property Development (Shenzhen) Co., Ltd.* (前海集城實業發展(深圳)有限公司) and Qianhai CIMC Cloud Property Development (Shenzhen) Co., Ltd.* (前海集雲實業發展(深圳)有限公司), the wholly-owned subsidiaries of the Company, have entered into the Shenzhen Land Use Right Granting Contract (Shen Qian Hai Di He Zi (2018) No. 0010) and the Shenzhen Land Use Right Granting Contract (Shen Qian Hai Di He Zi (2019) No. 0001) with the Qianhai Authority in respect of land parcels T102-0289 and T102-0290. For relevant information, please refer to the announcements published by the Company on China Securities Journal, Shanghai Securities News, Securities Times, Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcement No.: [CIMC] 2019-007) on 28 February 2019, as well as the relevant announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk).

Chapter VI Significant Events

5. On 12 April 2019, the Resolution on the Equity Transfer of Tianjin Port CIMC from Zhenhua Logistics Co., Ltd. was considered and approved at the fifth meeting in 2019 of the eighth session of the board of directors of the Company. Mr. Wang Yuhang (Vice chairman) and Mr. Liu Chong (Director), being connected directors, have abstained from voting for the aforesaid resolution due to their respective positions in China COSCO Shipping Corporation Limited and its subsidiaries. And the remaining of six non-connected directors have voted. The independent directors of the Company have conducted pre verification and expressed their independent opinions. On 12 April 2019, Zhenhua Logistics Group Co., Ltd.* (振華物流集團有限公司), a subsidiary of the Company (hereafter referred to as "Zhenhua Logistics Group"), and SPEEDIC ENTERPRISE CORP, a wholly-owned subsidiary of the Company (hereafter referred to as "SPEEDIC") entered into equity transfer agreements with COSCO SHIPPING Lines Co., Ltd.* (中遠海運集裝箱運輸有限公司) (hereafter referred to as "COSCO SHIPPING Lines") respectively, pursuant to which, Zhenhua Logistics Group and SPEEDIC transferred their 24% and 36% equity interest in Tianjin Port CIMC Zhenhua Logistics Co., Ltd.* (天津港中集振華物流有限公司) ("Tianjin Port CIMC Zhenhua Logistics") to COSCO SHIPPING Lines at the consideration of RMB32,038,434.54 and RMB48,057,651.81 respectively. Upon completion of the transactions, Zhenhua Logistics Group, COSCO SHIPPING Lines and Tianjin Port International Logistics Development Co., Ltd.* (天津港國際物流發展有限公司) will hold 6%, 60% and 34% equity interest in Tianjin Port CIMC Zhenhua Logistics respectively, and SPEEDIC will no longer hold shares in Tianjin Port CIMC Zhenhua Logistics. Tianjin Port CIMC Zhenhua Logistics will no longer be included in the consolidated statements of the Group. For relevant information, please refer to the announcements published by the Company on China Securities Journal, Shanghai Securities News, Securities Times, Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcement No.: [CIMC] 2019-031 and [CIMC] 2019-033) on 12 April 2019, as well as the relevant announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk).

Summary of significant events	Date of disclosure	Search index of the tentative announcement disclosure website
The spin-off and overseas listing of the subsidiary of the Company, CIMC Vehicles	14 March 2019	www.cninfo.com.cn
	31 March 2019	www.hkexnews.hk
	3 April 2019	www.cimc.com
	23 June 2019	
	27 June 2019	
	10 July 2019	
	11 July 2019	
	2 August 2019	
	19 December 2018	
	24 January 2019	
Participating in the Rights Issue of TSC Group	31 January 2019	
Eric Shenzhen receiving certain litigation papers including notification calling for responses to the action and summons		
Contracts for Land in Qianhai signed by Southern CIMC, a wholly-owned subsidiary of the Company	28 February 2019	
Equity transfer agreements and connected transactions entered into by subsidiaries of the Company	12 April 2019	

Chapter VI Significant Events

XIX. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

1. On 1 August 2019, CIMC Skyspace Real Estate, a subsidiary of the Company, entered into the Cooperation Agreement with Shenzhen Country Garden Property Investment Co., Ltd. (hereafter referred to as "Shenzhen Country Garden"). Pursuant to the Cooperation Agreement, Shenzhen Country Garden makes a capital injection of RMB33,333,333 and RMB33,333,333 respectively to Shenzhen Jihong Investment Co., Ltd. (hereafter referred to as "Jihong Investment") and Shenzhen Jiyuan Investment Co., Ltd. (hereafter referred to as "Jiyuan Investment") for the cooperative development of the Prince Bay Project. Upon the completion of the capital injection, Shenzhen Country Garden will respectively hold 40% equity interest in Jihong Investment and Jiyuan Investment, while CIMC Skyspace Real Estate will respectively hold 60% equity interest in Jihong Investment and Jiyuan Investment, both of which will be the non-wholly-owned subsidiaries of CIMC Skyspace Real Estate and the Company. For relevant information, please refer to the announcement published by the Company on China Securities Journal, Shanghai Securities News, Securities Times, Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcement No.: [CIMC]2019-065), as well as the announcement published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 1 August 2019.
2. On 7 August 2019, the Company has completed the issuance of the Tranche II Super & Short-term Commercial Papers and the Tranche III Super & Short-term Commercial Papers for 2019. The proceeds raised from the Tranche II Super & Short-term Commercial Papers and the Tranche III Super & Short-term Commercial Papers were fully received on 8 August 2019. The issuance amount of the Tranche II Super & Short-term Commercial Papers was RMB2.1 billion and the issue rate was 2.55% per annum. China Development Bank is the lead underwriter of the Tranche II Super & Short-term Commercial Papers, and Bank of Shanghai Co., Ltd. is the joint lead underwriter of the Tranche II Super & Short-term Commercial Papers. The issuance amount of the Tranche III Super & Short-term Commercial Papers was RMB1.0 billion and the issue rate was 2.55% per annum. Ping An Bank is the lead underwriter of the Tranche III Super & Short-term Commercial Papers, and China CITIC Bank is the joint lead underwriter of the Tranche III Super & Short-term Commercial Papers. For relevant information, please refer to the announcement published by the Company on China Securities Journal, Shanghai Securities News, Securities Times, Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcement No.: [CIMC]2019-067), as well as the announcement published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 8 August 2019.
3. CIMC Skyspace Real Estate, a controlling subsidiary of the Company, proposed to establish "Zhonglian-Qianhai-Kaiyuan – Phase I Asset-backed Special Program of No. 1 CIMC Skyspace Real Estate Industrial Park" (hereafter referred to as the "Special Program", the product name is subject to the final name of the product at the time of issuance of the Special Program) with certain leased residential and commercial units of the CIMC Zhihui Garden (Dongguan) Project (中集智薈園(東莞)項目) held by Shenzhen Chenyu Investment Development Co., Ltd. (深圳市辰宇投資發展有限公司) and Dongguan CIMC Jingying Apartment Management Co., Ltd. (東莞中集薈英公寓管理有限公司), wholly-owned subsidiaries of CIMC Skyspace Real Estate, as property assets, to carry out asset securitization financing business. The Special Program was considered and approved at the 4th meeting of the ninth session of the Board of the Company on 13 August 2019, and is not required to be submitted to the general meeting of the Company for consideration and approval. For relevant information, please refer to the announcement published by the Company on China Securities Journal, Shanghai Securities News, Securities Times, Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcement No.: [CIMC]2019-069), as well as the announcement published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 13 August 2019.

XX. INFORMATION REGARDING THE CORPORATE BONDS OF THE COMPANY

Details for the issuance of cooperate bonds of the Company, please refer to "Chapter IX Corporate Bonds" in this Report.

Chapter VII Changes in Shareholdings and Information on Substantial Shareholders

I. CHANGES IN SHAREHOLDINGS DURING THE REPORTING PERIOD

1. Changes in Shareholdings

Unit: Shares

	Pre-movement (As at 31 December 2018)		Increase/decrease (+/-) Conversion				Post-movement (As at 30 June 2019)		
	Number of shares	Percentage	New issue	Bonus issue	From reserves	Others	Sub-total	Number of shares	Percentage
I. Shares with selling restrictions	762,526	0.02%	0	0	152,506	0	152,506	915,032	0.03%
1. State-owned shares	0	0.00%	0	0	0	0	0	0	0.00%
2. Shares held by state-owned companies	0	0.00%	0	0	0	0	0	0	0.00%
3. Shares held by other domestic investors	762,526	0.02%	0	0	152,506	0	152,506	915,032	0.03%
Including: Shares held by domestic legal person	0	0.00%	0	0	0	0	0	0	0.00%
Shares held by domestic natural persons	762,526	0.02%	0	0	152,506	0	152,506	915,032	0.03%
4. Shares held by foreign investors	0	0.00%	0	0	0	0	0	0	0.00%
Including: Shares held by foreign legal person	0	0.00%	0	0	0	0	0	0	0.00%
Shares held by foreign natural persons	0	0.00%	0	0	0	0	0	0	0.00%
II. Shares without selling restrictions	2,984,226,410	99.98%	453,300	0	596,935,940	0	597,389,240	3,581,615,650	99.97%
1. RMB-denominated Ordinary Shares (A Shares)	1,267,649,801	42.47%	453,300	0	253,620,619	0	254,073,919	1,521,723,720	42.47%
2. Shares traded in non-RMB currencies and listed domestically	0	0.00%	0	0	0	0	0	0	0.00%
3. Shares traded in non-RMB currencies and listed overseas (H Shares)	1,716,576,609	57.51%	0	0	343,315,321	0	343,315,321	2,059,891,930	57.50%
4. Others	0	0.00%	0	0	0	0	0	0	0.00%
III. Total shares	2,984,988,936	100.00%	453,300	0	597,088,446	0	597,541,746	3,582,530,682	100.00%

Chapter VII Changes in Shareholdings and Information on Substantial Shareholders

Reasons for changes in shareholdings

- (1) On 28 June 2019, the Company completed the implementation of 2018 interest distribution, and issued 2 shares for every 10 shares by way of capitalization of capital surplus to all Shareholders.
- (2) During the Reporting Period, 453,300 share options were exercised during the second exercisable period for the First Tranche of Share Option Incentive Scheme, and 0 share option was exercised during the second exercisable period for the Second Tranche of Share Option Incentive Scheme. 453,300 share options were exercised in aggregate.

Approval for changes in shareholdings

Applicable Not Applicable

Transfer for changes in shareholdings

Applicable Not Applicable

Progress of the implementation of share repurchase

Applicable Not Applicable

Progress of the implementation of reducing shareholding of repurchase shares by way of centralized bidding

Applicable Not Applicable

Effects of changes in shareholdings on financial indicators such as the basic earnings per share and diluted earnings per share, or the net assets per share attributable to ordinary Shareholders of the Company of the previous year or latest period

Applicable Not Applicable

	Item	Pre-movement in shares (RMB)	Post-movement in shares (RMB)
2018	Basic earnings per share	1.11	0.93
	Diluted earnings per share	1.10	0.92
	Net assets per share attributable to ordinary Shareholders of the Company	12.50	12.50
The first half of 2019	Basic earnings per share	0.1618	0.1618
	Diluted earnings per share	0.1604	0.1604
	Net assets per share attributable to ordinary Shareholders of the Company	10.60	10.60

Other matters that the Company deemed necessary to or required by the securities regulatory authority to be disclosed

Applicable Not Applicable

Chapter VII Changes in Shareholdings and Information on Substantial Shareholders

2. Changes in Shareholdings with Selling Restrictions

√ Applicable □ Not Applicable

Unit: Shares

Name of Shareholders	Number of shares with selling restrictions at the beginning of the Reporting Period	Number of shares with selling restriction expired in the Reporting Period	Increase in number of shares with selling restrictions in the Reporting Period	Number of shares with selling restrictions at the end of the Reporting Period	Reasons for selling restrictions	Expiry date of selling restrictions
Mai Boliang	371,026	0	74,206	445,232	On 28 June 2019, the Company completed the implementation of 2018 interest distribution, and issued 2 shares for every 10 shares by way of capitalization of capital surplus to all Shareholders.	Nil
Liu Xuebin (Note)	54,000	0	10,800	64,800	Same as above	Nil
Huang Tianhua	337,500	0	67,500	405,000	Same as above	Nil
Total	762,526	0	152,506	915,032	-	-

Note: Mr. Liu Xuebin, vice president of the Company, resigned from his office on 27 March 2018, earlier before the expiration of his term of office. Therefore, his shares with selling restriction will continue to be locked within the six months after the date when his original term of office is expired.

Chapter VII Changes in Shareholdings and Information on Substantial Shareholders

II. ISSUE AND LISTING OF SECURITIES

Applicable Not Applicable

Additional Issuance of H Shares

On 12 March 2018, as considered and approved by the 5th meeting in 2018 of the eighth session of the Board, the Company intends to issue overseas listed foreign shares (namely: H Shares) according to the "Resolution on granting the Board a general mandate to handle matters relating to the issue of shares" considered and approved at the 2016 annual general meeting convened on 9 June 2017. On 28 August 2018, the Company received the Approval on the Issuance of Additional Overseas Listed Foreign Shares by China International Marine Containers (Group) Co., Ltd. (Zheng Jian Xu Ke [2018] No. 1390) 《關於核准中國國際海運集裝箱(集團)股份有限公司增發境外上市外資股的批覆》(證監許可[2018]1390號)) issued by the CSRC, the contents of which are as follows: the CSRC approves the issuance of no more than 343,315,321 additional overseas listed foreign shares, all of which being ordinary shares, with a nominal value of RMB1 per share by the Company. On 27 August 2019, due to the changes in capital market environment, the Company did not complete the additional issuance within 12 months from the issue date of the approval by the CSRC, and thus such approval automatically became invalid upon expiry. In accordance with the relevant regulations, for any subsequent equity financing plan of the Company, it is required to re-convene a Board meeting and a general meeting to consider the relevant issuance scheme and submit the same to the CSRC for approval upon making a disclosure in accordance with relevant regulations. For relevant information, please refer to the announcements published by the Company in China Securities Journal, Shanghai Securities News, Securities Times, Cninfo website (www.cninfo.com.cn), the Company's website (www.cimc.com) (Announcement No.: [CIMC]2018-014, [CIMC]2018-015, [CIMC]2018-070 and [CIMC]2019-075) and the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 12 March 2018, 30 August 2018 and 27 August 2019.

Chapter VII Changes in Shareholdings and Information on Substantial Shareholders

III. NUMBER OF SHAREHOLDERS AND SHAREHOLDINGS OF THE COMPANY

As at 30 June 2019, the total number of Shareholders of the Company was 82,318, including: 29 holders of H Shares and 82,289 holders of A Shares.

Unit: Shares

Name of Shareholders	Nature of Shareholders	Percentage of shareholding	Shareholdings of the ordinary Shareholders who hold more than 5% or the top ten ordinary Shareholders			Total number of preference Shareholders whose voting rights were restored at the end of the Reporting Period (if any)		Pledged or frozen shares Status	Number
			Number of ordinary shares held at the end of the Reporting Period (Shares)	Changes during the Reporting Period (Shares)	Number of ordinary shares with selling restrictions (Shares)	Number of ordinary shares without selling restrictions (Shares)	0		
HKSCC Nominees Limited (Note 1)	Foreign legal person	58.03%	2,079,029,119	347,767,773	-	2,079,029,119	-	0	
COSCO Container Industries Limited (Note 2)	Foreign legal person	14.48%	518,606,212	86,434,369	-	518,606,212	-	0	
China Securities Finance Corporation Limited	State-owned legal person	2.37%	84,959,608	14,159,936	-	84,959,608	-	0	
Central Huijin Asset Management Ltd.	State-owned legal person	1.27%	45,592,560	7,598,760	-	45,592,560	-	0	
China Merchants Bank Co., Ltd.-Bosera CSI State-Owned Enterprises Structural Adjustment Index ETF Security Investment Fund (博時中證央企結構調整交易型開放式指數證券投資基金)	Domestic non-state-owned legal person	0.38%	13,445,966	13,445,966	-	13,445,966	-	0	
Agricultural Bank of China Limited-CSI500 Index Open-ended Fund (中證500交易型開放式指數證券投資基金)	Domestic non-state-owned legal person	0.36%	12,834,892	3,397,889	-	12,834,892	-	0	
Zhong Ou Fund-Agricultural Bank - Zhong Ou China Securities and Financial Assets Management Program	Domestic non-state-owned legal person	0.31%	11,102,880	1,850,480	-	11,102,880	-	0	
ICBC Credit Suisse Fund- Agricultural Bank- ICBC Credit Suisse China Securities and Financial Assets Management Program	Domestic non-state-owned legal person	0.31%	11,054,160	1,842,360	-	11,054,160	-	0	
Dacheng Fund-Agricultural Bank - Dacheng China Securities and Financial Assets Management Program	Domestic non-state-owned legal person	0.31%	10,980,360	1,830,060	-	10,980,360	-	0	
Yinhua Fund-Agricultural Bank- Yinhua China Securities and Financial Assets Management Program	Domestic non-state-owned legal person	0.30%	10,912,920	1,818,820	-	10,912,920	-	0	
Strategic investors or ordinary legal persons who became top ten ordinary Shareholders due to placing of new shares (if any)		Nil							
The relationship or concerted action of the above mentioned Shareholders		Unknown							

Chapter VII Changes in Shareholdings and Information on Substantial Shareholders

Shareholdings of top ten ordinary Shareholders without selling restrictions

Name of Shareholders	Number of ordinary shares without selling restrictions held at the end of the Reporting Period	Type of shares	
		Type of shares	Number
HKSCC Nominees Limited (Note 1)	2,059,687,737	Overseas listed foreign shares	2,059,687,737
HKSCC Nominees Limited (Note 1)	19,341,382	RMB-denominated ordinary shares	19,341,382
COSCO Container Industries Limited (Note 2)	518,606,212	RMB-denominated ordinary shares	518,606,212
China Securities Finance Corporation Limited	84,959,608	RMB-denominated ordinary shares	84,959,608
Central Huijin Asset Management Ltd.	45,592,560	RMB-denominated ordinary shares	45,592,560
China Merchants Bank Co., Ltd.-Bosera			
CSI State-Owned Enterprises Structural Adjustment Index ETF Security Investment Fund (博時中證央企結構調整交易型開放式指數證券投資基金)	13,445,966	RMB-denominated ordinary shares	13,445,966
Agricultural Bank of China Limited-CSI500 Index Open-ended Fund (中證500交易型開放式指數證券投資基金)	12,834,892	RMB-denominated ordinary shares	12,834,892
Zhong Ou Fund-Agricultural Bank – Zhong Ou China Securities and Financial Assets Management Program	11,102,880	RMB-denominated ordinary shares	11,102,880
ICBC Credit Suisse Fund- Agricultural Bank-ICBC Credit Suisse China Securities and Financial Assets Management Program	11,054,160	RMB-denominated ordinary shares	11,054,160
Dacheng Fund-Agricultural Bank – Dacheng China Securities and Financial Assets Management Program	10,980,360	RMB-denominated ordinary shares	10,980,360
Yinhua Fund-Agricultural Bank- Yinhua China Securities and Financial Assets Management Program	10,912,920	RMB-denominated ordinary shares	10,912,920
The relationship or concerted action between the top ten Shareholders of circulating shares without selling restrictions, as well as the top ten Shareholders of circulating shares without selling restrictions and the top ten Shareholders	Unknown		
Explanation on the top ten ordinary Shareholders participating in financing securities business (if any)	Nil		

Note 1: Among holders of H Shares of the Company, shares of unregistered holders were held by HKSCC Nominees Limited on their behalf. As at 30 June 2019, HKSCC Nominees Limited held 2,079,029,119 shares of the Company on our behalf, including 19,341,382 A shares and 2,059,687,737 H shares. The H Shares include (but are not limited to) the 880,429,220 H Shares held by China Merchants Group through its subsidiaries (including China Merchants (CIMC) Investment Limited, etc), and the 295,010,617 H Shares held by China COSCO Shipping through its certain subsidiaries (including 30,386,527 H shares directly held by Long Honour Investments Limited and 264,624,090 H Shares directly held by COSCO Container Industries Limited).

Note 2: As at 30 June 2019, COSCO Container Industries Limited held the above 264,624,090 H Shares of the Company which were registered under HKSCC Nominees Limited (see Note 1 above) and 518,606,212 A shares of the Company.

The top ten ordinary Shareholders and the top ten ordinary Shareholders without selling restrictions did not conduct any agreed repurchase transactions during the Reporting Period.

Chapter VII Changes in Shareholdings and Information on Substantial Shareholders

IV. CHANGE OF CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLER

1. Controlling Shareholders of the Company

Applicable Not Applicable

There is no controlling Shareholder in the Company. During the Reporting Period, there was no change.

2. De Facto Controller

Applicable Not Applicable

There is no de facto controller in the Company. During the Reporting Period, there was no change.

V. DISCLOSURE OF SHAREHOLDINGS OF THE SUBSTANTIAL SHAREHOLDERS AND OTHER PARTIES UNDER THE SFO OF HONG KONG

As far as the Directors are aware, as at 30 June 2019, the persons (other than the Directors, Supervisors or the chief executive of the Company) who had interests or short positions in the shares and underlying shares of the Company which are required to be recorded in the register of interests in shares and short positions required to be kept by the Company pursuant to Section 336 of the SFO are as follows:

Name of Shareholder	Nature of shares	Number of shares (Shares)	Capacity	Percentage of such shares in the same class of the issued shares (%)	Percentage of such shares in the total issued shares (%)
China Merchants Group (Note 1)	H Shares	880,429,220 (L)	Interest of corporation controlled by the substantial Shareholder	42.74%	24.58%
China COSCO Shipping (Note 2)	A Shares	518,606,212 (L)	Interest of corporation controlled by the substantial Shareholder	34.06%	14.48%
	H Shares	295,010,617 (L)	Interest of corporation controlled by the substantial Shareholder	14.32%	8.23%
Hony Group Management Limited (Note 3)	H Shares	429,902,275 (L)	Interest of corporation controlled by the substantial Shareholder	20.87%	12.00%
Broad Ride Limited (Note 3)	H Shares	258,244,615 (L)	Beneficial holder	12.54%	7.21%
	H Shares	171,657,660 (L)	Person having security interest in shares	8.33%	4.79%
Promotor Holdings Limited	H Shares	171,657,660 (L)	Beneficial holder	8.33%	4.79%

(L) Long Position

Chapter VII Changes in Shareholdings and Information on Substantial Shareholders

- Note 1: China Merchants Group, through its subsidiaries (including China Merchants (CIMC) Investment Limited, etc.), holds an interest in the H shares of the Company, and all the 880,429,220 H shares (L) are held in the capacity as interest of corporation controlled by the substantial shareholder.
- Note 2: China COSCO Shipping, through its subsidiaries (including Long Honour Investments Limited and COSCO Container Industries Limited), holds an interest in the A Shares and H Shares of the Company, and 518,606,212 A Shares (L) and 295,010,617 H Shares (L) are held in the capacity as interest of corporation controlled by the substantial Shareholder.
- Note 3: Hony Group Management Limited, through its certain subsidiaries (including: Broad Ride Limited) holds an interest in the H shares of the Company, and 258,244,615 H shares (L) are held in the capacity as interest of corporation controlled by the substantial shareholder and 171,657,660 H Shares (L) are held in the capacity as person having security interest in shares.

Save as disclosed above and as far as the Directors are aware, as at 30 June 2019, no other person (other than a Director, Supervisor or chief executive of the Company) had any interests or short positions recorded in the register of interests in shares and short positions required to be kept by the Company pursuant to Section 336 of the SFO of Hong Kong.

Information on Substantial Shareholders of the Company:

As at the end of the Reporting Period, the substantial Shareholders of the Company are China Merchants Group and China COSCO Shipping.

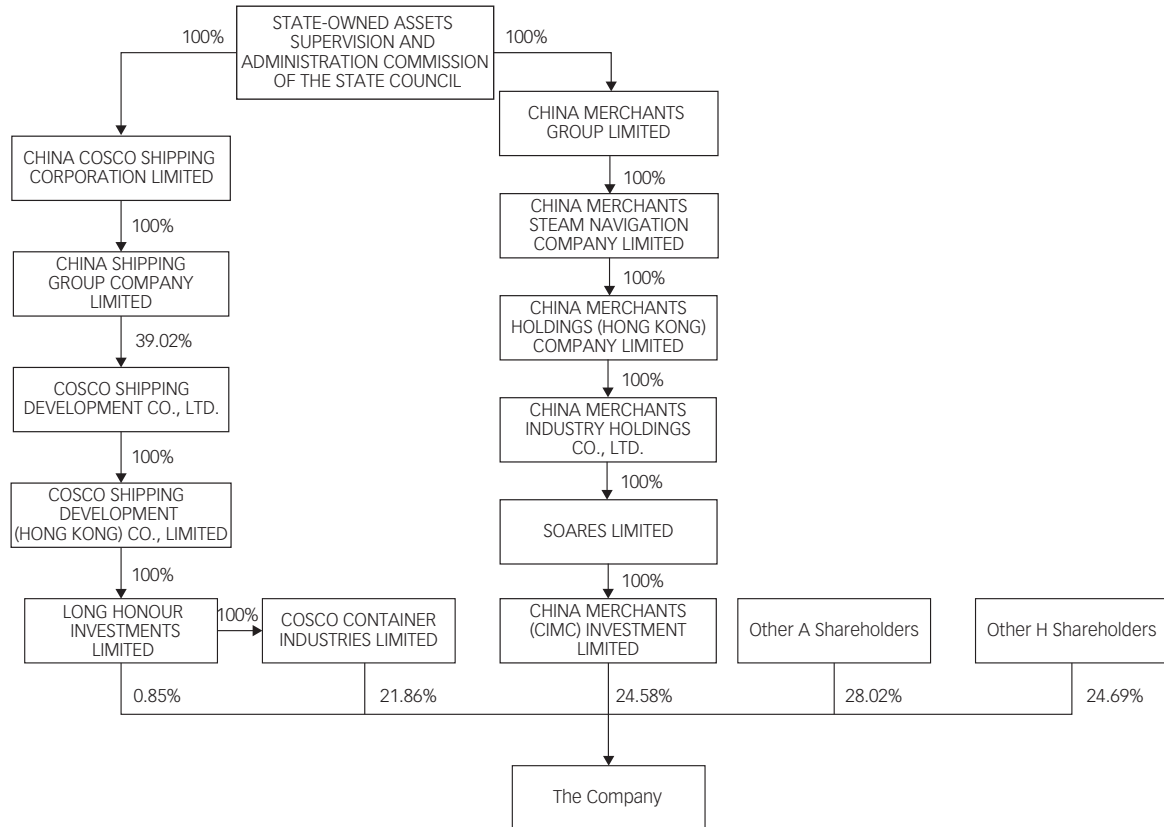
China Merchants Group was incorporated in October 1986 in the PRC. Its registered capital is RMB10.05 billion and its chairman of the board of directors is Mr. Li Jianhong. China Merchants Group's business focuses on three core industries, namely traffic (harbour, highway, shipping and transportation, logistics, ocean engineering and trade), finance (bank, securities, funds and insurance) and real estate (industrial zone development and real estate development), and is realising the transformation from three main businesses to three major platforms of industrial operation, financial services and investment and capital operation. On 9 June 2017, China Merchants Port Holdings Company Limited, a subsidiary of China Merchants Group, completed the transaction of transferring all shares of Soares Limited to China Merchants Industry Holdings Co., Ltd., another subsidiary of China Merchants Group. As at the end of the Reporting Period, China Merchants Group through its subsidiaries (including China Merchants Steam Navigation Company Limited, China Merchants Holdings (Hong Kong) Company Limited, China Merchants Industry Holdings Co., Ltd., Soares Limited and China Merchants (CIMC) Investment Limited) held 24.58% of the total issued shares of the Company and remains as the largest indirect shareholder of the Company.

China COSCO Shipping was incorporated in February 2016 in the PRC. Its registered capital is RMB11.0 billion and its legal representative is Mr. Xu Lirong. China COSCO Shipping takes shipping, integrated logistics and related financial services as the pillar to provide global integrated logistics supply chain services among various industrial clusters. As at the end of the Reporting Period, China COSCO Shipping, the second largest indirect shareholder of the Company, through its subsidiaries (including China Shipping (Group) Company, COSCO SHIPPING Development Co. Ltd., Long Honour Investments Limited and COSCO Container Industries Limited, etc.) held 22.71% of the total issued shares of the Company.

Except for the abovementioned China Merchants Group and China COSCO Shipping, no other legal person or individual holds 10% or more of the total issued share capital of the Company (excluding HKSCC Nominees Limited).

Chapter VII Changes in Shareholdings and Information on Substantial Shareholders

Shareholding Relationships between the Company and the Substantial Shareholders as at the end of the Reporting Period



VI. SUFFICIENCY OF PUBLIC FLOAT

As at the latest practicable date, based on the public information available to the Company and as far as the Board of the Company are aware, the Directors confirm that, the minimum public float of the Company has satisfied the requirements of the Hong Kong Listing Rules.

VII. PURCHASE, SALE OR REDEMPTION OF LISTING SECURITIES

The Company or any of its subsidiaries did not purchase, sell or redeem any of the listed securities of the Company during the Reporting Period.

VIII. RELEVANT INFORMATION ABOUT PREFERRED SHARES

Applicable Not Applicable

There was no preferred shares of the Company during the Reporting Period.

Chapter VIII Information on Directors, Supervisors and Senior Management

I. CHANGES ON SHAREHOLDINGS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

√ Applicable □ Not Applicable

Name	Title	Status of office	Number of shares held at the beginning of the Reporting Period (shares)	Increase in the number of shares held during the Reporting Period (shares)	Decrease in the number of shares held during the Reporting Period (shares)	Number of shares held at the end of the Reporting Period (shares)	Restricted shares granted at the beginning of the Reporting Period (shares)	Restricted shares granted during the Reporting Period (shares)	Restricted shares granted at the end of the Reporting Period (shares)
Mai Boliang	CEO and president	In office	494,702	98,941	0	593,643	0	0	0
Huang Tianhua	Vice president of the Company	In office	450,000	90,000	0	540,000	0	0	0
Total	-	-	944,702	188,941	0	1,133,643	0	0	0

Note: On 28 June 2019, the Company completed the implementation of 2018 interest distribution, and issued 2 shares for every 10 shares by way of capitalization of capital surplus to all Shareholders.

Chapter VIII Information on Directors, Supervisors and Senior Management

II. CHANGES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY

1. During the Reporting Period, changes of Directors, Supervisors and senior management of the Company are set out below:

Name	Position	Type	Date	Reasons
Wang Hong	Chairman, non-executive Director	Elected	3 June 2019	Elected
Liu Chong	Vice chairman, non-executive Director	Elected	3 June 2019	Elected
Wang Yuhang	Vice chairman, non-executive Director	Retirement upon expiry of term	3 June 2019	Retirement upon expiry of term
Mai Boliang	Executive Director	Elected	3 June 2019	Elected
Hu Xianfu	Non-executive Director	Elected	3 June 2019	Elected
Ming Dong	Non-executive Director	Elected	3 June 2019	Change of the session
He Jiale	Independent non-executive Director	Elected	3 June 2019	Change of the session
Pan Zhengqi	Independent non-executive Director	Elected	3 June 2019	Elected
Lui Fung Mei Yee, Mabel	Independent non-executive Director	Elected	3 June 2019	Change of the session
Pan Chengwei	Independent non-executive Director	Retirement upon expiry of term	3 June 2019	Retirement upon expiry of term
Wong Kwai Huen, Albert	Independent non-executive Director	Retirement upon expiry of term	3 June 2019	Retirement upon expiry of term
Lin Feng	Supervisor	Elected	3 June 2019	Elected
Lou Dongyang	Supervisor	Elected	3 June 2019	Change of the session
Xiong Bo	Supervisor	Elected	3 June 2019	Elected
Wang Hongyuan	Supervisor	Retirement upon expiry of term	3 June 2019	Retirement upon expiry of term
Mai Boliang	CEO and president	Appointment	27 March 2019	Appointment
Li Yinhui	Vice president	Appointment	27 March 2019	Appointment
Yu Yuqun	Vice president and secretary to the Board/ Company Secretary	Appointment	27 March 2018 27 March 2019	Appointment
Wu Fapei	Vice president	Retirement	27 March 2019	Retirement

During the Reporting Period, the re-elections of Board and Supervisory Committee were completed successfully respectively. For details, please refer to "The Board" and "The Supervisory Committee" in "(II). Corporate Governance and Relevant Information" under "Chapter VI Significant Events" in this Report and the relevant announcements published on China Securities Journal, Shanghai Securities News, Securities Times, Cninfo website (www.cninfo.com.cn), on the websites of the Company (www.cimc.com) and Hong Kong Stock Exchange (www.hkexnews.hk) on 3 June 2019.

2. The changes of Directors, Supervisors and senior management of the Company after the Reporting Period are set out below:

There was no change of Directors and Supervisors of the Company between the Reporting Period and the disclosure date of this Report.

Chapter VIII Information on Directors, Supervisors and Senior Management

III. INTERESTS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES IN THE SHARES OF THE COMPANY AND ASSOCIATED CORPORATIONS THEREOF

As at 30 June 2019, the interests and short positions held by the Directors, Supervisors and chief executive of the Company in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of SFO) pursuant to Part XV of the SFO which are required to be notified to the Company and the Hong Kong Stock Exchange under Divisions 7 and 8 of Part XV of the SFO, including interests and short positions which the Directors or Supervisors of the Company are taken or deemed to have under such provisions of the SFO, or which are required to be recorded in the register kept by the Company under Section 352 of the SFO, or otherwise required to be notified by the Directors, Supervisors and chief executives to the Company and the Hong Kong Stock Exchange in accordance with the Model Code contained in Appendix 10 of the Hong Kong Listing Rules, were as follows:

1. Interest in the Shares of the Company:

Name	Nature of interest	Class of shares	Number of shares held (shares)	Percentage of such shares in the issued shares of the same class (%)	Percentage of such shares in the total issued shares (%)
Mai Boliang	Beneficial interest	A Shares	593,643	0.04%	0.02%

2. Interest in the Underlying Shares of the Company:

For details of the interests in the underlying shares of the Company held by Directors, Supervisors and the chief executive of the Company as at 30 June 2019, please refer to "XII. Implementation of the Company's Share Option Incentive Scheme, Employee Stock Ownership Scheme or Other Employee Incentive Measures" under "Chapter VI Significant Events" in this Report.

3. Interests in the Shares of Associated Corporations of the Company:

Name	Associated corporation	Nature of interest	Class of shares	Number of shares held (shares)
Mai Boliang	CIMC Enric	Beneficial interest	Ordinary Share	7,260,000

Save as disclosed above, as at 30 June 2019, as far as the Directors of the Company are aware, none of the Directors, Supervisors and the chief executive of the Company held any interest or short position in the shares, underlying shares and debentures (within the meaning of Part XV of the SFO) of the Company and any of its associated corporations, which are required to be notified to the Company and the Hong Kong Stock Exchange under Divisions 7 and 8 of Part XV of the SFO, including interests and short positions which are taken or deemed to have under such provisions of the SFO, or which are required to be recorded in the register required to be kept under Section 352 of the SFO, or otherwise required to be notified to the Company and the Hong Kong Stock Exchange under the Model Code contained in Appendix 10 of the Hong Kong Listing Rules.

IV. CHANGES IN INFORMATION OF DIRECTORS AND SUPERVISORS

During the Reporting Period, Board and Supervisory Committee completed re-election successfully respectively. For personal information on relevant Directors and Supervisors, please refer to 2018 annual report and announcements and/or circulars published by the Company on China Securities Journal, Shanghai Securities News, Securities Times, Cninfo website (www.cninfo.com.cn) and the websites of the Company (www.cimc.com) and Hong Kong Stock Exchange (www.hkexnews.hk) on 27 March 2019, 9 May 2019, 17 May 2019 and 3 June 2019.

Chapter IX Corporate Bonds

Whether the Company has publicly issued corporate bonds that are listed on stock exchanges, undue as at the date approving the issue of the interim report or falling due but not fully repaid.

Yes No

I. BASIC INFORMATION OF CORPORATE BONDS

Name of Bonds	Abbreviation of Bonds	Code of Bonds	Date of issuance	Maturity date	Balance of Bonds (RMB thousand)	Interest rate	Method to repay principal and pay interest
China International Marine Containers (Group) Co., Ltd. on 2018 public offering of renewable corporate bonds (tranche 1) for qualified investor	18 Haiji Y1 (18海集Y1)	112808.SZ	3 December 2018	No fixed maturity date	2,000,000	4.85%	The interest of the Bonds is paid in installments annually if the Issuer does not exercise the right of deferred payment of interest. The interest of the Bonds shall be accrued as simple interest annually instead of compound interest.
Trading places for the listing or transfer of corporate bonds		Shenzhen Stock Exchange					
Arrangement to ensure the suitability of investors		Offered to the qualified investors by means of the public issue					
Interest payment of corporate bonds during the Reporting Period		The first interest payment date of renewable corporate bonds, "18 Haiji Y1", will be 5 December 2019. No principle and interest needed to be repaid during the Reporting Period.					
Performance of relevant articles during the Reporting Period, if special articles such as issuer or investor option articles and interchangeable articles for corporate bonds (if applicable)		During the Reporting Period, the renewable corporate bonds, "18 Haiji Y1" has not been required to implement the relevant special articles, and still included into equity. Pricewaterhouse Coopers Zhong Tian LLP has audited the financial statements for 2018 of the Company and issued an audit report of unqualified opinion, which considered that "18 Haiji Y1" has meet the conditions to be classified as equity instrument and can be used for settlement as equity instrument.					

Chapter IX Corporate Bonds

II. INFORMATION ABOUT BOND TRUSTEE AND CREDIT RATING AGENCY

The trustee of the bonds:

Name	CITIC Securities Co., Ltd.	Business address	CITIC Securities Tower, No.8 Zhongxin 3rd Road, Futian District, Shenzhen, Guangdong Province	Contact	Song Yuxi	Tel of contact	0755-23835224
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Credit rating agency for tracking rating of the corporate bonds during the Reporting Period:

Name	China Cheng Xin Securities Credit Rating Co., Ltd.	Business address	24th floor, Anji Mansion, No. 760, Xizanganlu, Huangpu District, Shanghai
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Reason of change, procedures to be conducted and impacts on benefits of investors, etc. (if applicable) in case the bond trustee and credit rating agency hired by the Company during the Reporting Period have changed	Not applicable
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III. USE OF PROCEEDS FROM BOND OFFERING

Use of proceeds from and procedures to be fulfilled in bond offering	Withdrew and utilized in according to the relevant required process of the Company, and used for the purposes as stipulated by the prospectus.
Period-end balance (RMB thousand)	0.00
Operation of special account for the funds raised	Under orderly and normally operation
Consistency of the use of proceeds with the commitments, the planned use and other agreements in the prospectus	The use of proceeds is consistent with the commitments, the planned use and other agreements in the prospectus.

IV. CORPORATE BOND RATING

On 20 May 2019, China Chengxin Securities Rating Co., Ltd. issued the "Tracking Rating Report (2019) on 2018 Public Offering of Renewable Corporate Bonds (Tranche 1) of China International Marine Containers (Group) Co., Ltd. for Qualified Investors" 《中國國際海運集裝箱(集團)股份有限公司2018年面向合格投資者公開發行可續期公司債券(第一期)跟蹤評級報告(2019)》, and maintained the Company's main credit rating at AAA with stable outlook. The result is consistent with that for the last credit rating. The debt financing instruments issued by the Company in the interbank bond market were all ranked AAA with no difference existed.

The Tracking Rating Report issued by China Chengxin Securities Rating Co., Ltd. on such tranche of bonds was published on the websites of Shenzhen Stock Exchange (<http://www.szse.cn/>) and China Chengxin Securities Rating Co., Ltd. (www.ccxr.com.cn).

Chapter IX Corporate Bonds

V. CORPORATE BOND CREDIT ENHANCEMENT MECHANISM, DEBT REPAYMENT SCHEDULE AND OTHER DEBT REPAYMENT SAFEGUARD MEASURES

There is no change in credit enhancement mechanism, debt repayment schedule and other debt repayment safeguard measures of the renewable corporate bonds, “18 Haiji Y1”.

During the Reporting Period, The Company strictly implemented debt repayment schedule and debt repayment safeguard measures of the renewable corporate bonds, “18 Haiji Y1”, as disclosed, which are in line with the relevant undertakings provided in the prospectus.

VI. CONVENING OF MEETINGS OF BONDHOLDERS DURING THE REPORTING PERIOD

During the Reporting Period, no bondholder meeting was held by the Company.

VII. PERFORMANCE OF BOND TRUSTEE DURING THE REPORTING PERIOD

The bond trustee of the Company’s corporate bonds is CITIC Securities Company Limited. During the Reporting Period, CITIC Securities Company Limited performed its duty as the trustee, in strict compliance with “Bond Trustee Agreement”, including but not limited to continuously focusing on the Company’s credit status and supervising the usage and management of proceeds raised from the corporate bonds in the Company’s designated special account.

On 27 June 2019, the Company disclosed the Trustee Report on Corporate Bonds of China International Marine Containers (Group) Co., Ltd. by China International Marine Containers (Group) Co., Ltd. to Qualified Investors (2018) on the website of Cninfo and disclosed the basic information on the issue of bonds, the operational and financial conditions of the issuer in 2018, the use of proceeds and tracking ratings of the bonds.

As for the potential conflict of interests, China Merchants Securities Co., Ltd. has established comprehensive internal information barriers and firewalls in accordance with the regulatory requirements with a view to guarantee that: (i) the employees of the bond trustee who assume the duties under the “Bond Trustee Agreement” will not be affected by the conflicts of interest; (ii) the confidential information held by the employees of the bond trustee who assume the duties under the “Bond Trustee Agreement” will not be disclosed to any other persons that are irrelevant to the “Bond Trustee Agreement”; (iii) the relevant confidential information will not be used by the bond trustee for any other purpose other than the “Bond Trustee Agreement”; (iv) the inappropriate flow of sensitive information in relation to the “Bond Trustee Agreement” will be avoided and that effective management will be in place for potential conflicts of interest.

Chapter IX Corporate Bonds

VIII. MAJOR ACCOUNTING DATA AND FINANCIAL INDEXES OF THE COMPANY AS OF THE END OF THE REPORTING PERIOD AND THE END OF LAST YEAR (OR FOR THE REPORTING PERIOD AND THE SAME PERIOD OF LAST YEAR)

Items	At of the end		Percentage of change
	of the Reporting Period	of the end of last year	
Current ratio	1.11	1.11	–
Gearing ratio	67.18%	67.02%	0.16%
Quick ratio	0.67	0.74	(9.46%)

Items	During the		Percentage of change
	Reporting Period	same period of last year	
EBITDA interest coverage ratio	3.89	4.47	(12.98%)
Loan repayment ratio	100%	100%	–
Interest repayment ratio	100%	100%	–

The reasons that the abovementioned percentage of change in accounting data and financial indexes as compared with the same period of last year is more than 30%

Yes No

IX. OVERDUE INDEBTEDNESS OF THE COMPANY

Yes No

The Company has no overdue indebtedness.

X. REDEMPTION OF OTHER BONDS AND DEBT FINANCING INSTRUMENTS DURING THE REPORTING PERIOD

During the Reporting Period, the Group paid the interest and principal of other bonds and debt financing instruments according to schedule and had no event of default.

XI. BANK CREDIT, USE OF BANKING FACILITIES AND REPAYMENT OF BANK LOANS DURING THE REPORTING PERIOD

As at 30 June 2019, the Company accumulatively obtained total bank facility of RMB174.637 billion, out of which RMB59.449 billion was utilized, and the balance of facility amounted to RMB115.188 billion. During the Reporting Period, the Company has repaid all bank loans on time without extension and reduction.

Chapter IX Corporate Bonds

XII. PERFORMANCE OF RELEVANT AGREEMENT OR COMMITMENT OF THE CORPORATE BOND DURING THE REPORTING PERIOD

During the Reporting Period, the Company has performed the relevant agreements and commitment as stipulated in the prospectus of "18 Haiji Y1".

XIII. MAJOR ISSUES OCCURRED DURING THE REPORTING PERIOD

During the Reporting Period, there was a change in directorships of more than a third of the directorships of Company. For more details, please refer to the announcement on the resolutions of the first meeting in 2019 of the ninth session of the Board published on Cninfo website (www.cninfo.com.cn) on 3 June 2019.

XIV. GUARANTOR FOR THE CORPORATE BOND

Yes No

Chapter X 2019 Interim Financial Report (Unaudited)

I. AUDIT REPORT

Whether the interim report was audited or not

Yes No

The 2019 Interim Financial Report of the Company has not been audited.

II. FINANCIAL REPORT

China International Marine Containers (Group) Co., Ltd.

The financial report for the period from 1 January 2019 to 30 June 2019

The notes to the financial statements are denominated in: RMB'000

Chapter X 2019 Interim Financial Report (Unaudited)

FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH CASBE

As at 30 June 2019

(All amounts in RMB'000 unless otherwise stated)

(English Translation for Reference Only)

	Note	30 June 2019	31 December 2018
ASSETS			
Current assets:			
Cash at bank and on hand	IV.1	6,579,908	9,729,152
Financial assets held for trading	IV.2	207,113	193,676
Derivative financial assets	IV.3	69,167	49,055
Notes receivables	IV.4	1,160,380	1,423,547
Accounts receivables	IV.5	20,411,426	17,895,919
Receivables financing	IV.6	40,918	179,412
Advances to suppliers	IV.7	3,212,909	6,861,297
Other receivables	IV.8	9,119,876	11,276,144
Inventories	IV.9	32,721,828	27,335,324
Contract assets	IV.10	2,432,628	1,514,348
Assets held for sale	IV.11	197,874	197,874
Current portion of non-current assets	IV.12	4,761,711	4,387,886
Other current assets	IV.13	1,067,181	859,325
Total current assets		81,982,919	81,902,959
Non-current assets:			
Other debt investments	IV.14	30,821	30,581
Long-term receivables	IV.15	14,213,481	13,874,369
Long-term equity investments	IV.16	5,430,838	3,569,900
Other equity investments	IV.17	1,179,871	984,155
Other non-current financial assets	IV.18	106,993	332,081
Investment properties	IV.19	2,112,909	1,966,277
Fixed assets	IV.20	23,735,182	23,188,737
Construction in progress	IV.21	24,654,338	24,164,814
Right-of-use assets	IV.22	769,509	–
Intangible assets	IV.23	5,027,336	4,660,847
Development expenditures	IV.23	64,024	99,062
Goodwill	IV.24	2,181,828	1,954,985
Long-term prepaid expenses	IV.25	496,180	322,175
Deferred tax assets	IV.26	1,546,208	1,441,267
Other non-current assets	IV.27	30,833	391,754
Total non-current assets		81,580,351	76,981,004
TOTAL ASSETS		163,563,270	158,883,963

Chapter X 2019 Interim Financial Report (Unaudited)

FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH CASBE (CONTINUED)

As at 30 June 2019

(All amounts in RMB'000 unless otherwise stated)

(English Translation for Reference Only)

	Note	30 June 2019	31 December 2018
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Short-term borrowings	IV.30	23,802,051	19,898,221
Financial liabilities at fair value through profit or loss	IV.2	48,000	–
Derivative financial liabilities	IV.3	342,886	342,726
Notes payables	IV.31	2,248,675	1,889,785
Accounts payables	IV.32	12,381,902	13,210,828
Advances from customers	IV.33	57,814	132,001
Contract liabilities	IV.34	8,315,099	7,252,088
Employee benefits payable	IV.35	2,756,424	3,096,818
Taxes payable	IV.36	1,474,436	2,194,085
Other payables	IV.37	11,361,760	9,336,513
Provisions	IV.38	1,158,165	1,083,274
Current portion of non-current liabilities	IV.39	9,891,383	14,075,601
Other current Liabilities	IV.40	93,914	1,024,221
Total current liabilities		73,932,509	73,536,161
Non-current liabilities:			
Long-term borrowings	IV.41	27,820,150	25,769,773
Debentures payable	IV.42	4,020,152	2,019,275
Lease liabilities	IV.43	240,442	–
Long-term payables	IV.44	186,621	236,591
Deferred income	IV.45	1,010,376	971,593
Deferred tax liabilities	IV.26	1,864,975	1,836,128
Other non-current liabilities	IV.46	802,259	2,111,454
Total non-current liabilities		35,944,975	32,944,814
Total liabilities		109,877,484	106,480,975
Shareholders' equity			
Share capital	IV.47	3,582,531	2,984,989
Other equity instruments	IV.48	4,107,745	4,007,545
Including: Perpetual bonds		4,107,745	4,007,545
Capital reserve	IV.49	4,850,127	4,128,400
Other comprehensive income	IV.50	1,144,651	838,711
Surplus reserve	IV.51	3,282,585	3,282,585
Undistributed profits	IV.52	21,020,418	22,082,769
Total equity attributable to shareholders and other equity holders of the Company		37,988,057	37,324,999
Minority interests		15,697,729	15,077,989
Total shareholders' equity		53,685,786	52,402,988
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		163,563,270	158,883,963

The accompanying notes form an integral part of these financial statements.

Legal representative's
authorised person: Mai BoliangThe person in charge of
accounting affairs: Zeng HanThe head of the accounting
department: Zeng Han

Chapter X 2019 Interim Financial Report (Unaudited)

BALANCE SHEET

As at 30 June 2019

(All amounts in RMB'000 unless otherwise stated)

(English Translation for Reference Only)

	Note	30 June 2019	31 December 2018
ASSETS			
Current assets:			
Cash at bank and on hand	XVI.1	2,005,905	1,745,889
Derivative financial assets		–	4,734
Note receivables		2,480	–
Other receivables	XVI.2	25,353,988	25,239,000
Other current assets		97	441
Total current assets		27,362,470	26,990,064
Non-current assets:			
Other equity investments	XVI.3	664,656	689,273
Long-term equity investments	XVI.4	12,060,722	11,471,599
Investment properties		117,347	–
Fixed assets	XVI.5	133,798	137,939
Construction in progress		101,185	93,894
Intangible assets		13,819	13,949
Long-term prepaid expenses		14,150	18,867
Deferred tax assets	XVI.12	85,854	90,569
Total non-current assets		13,191,531	12,516,090
TOTAL ASSETS		40,554,001	39,506,154

Chapter X 2019 Interim Financial Report (Unaudited)

BALANCE SHEET (CONTINUED)

As at 30 June 2019

(All amounts in RMB'000 unless otherwise stated)

(English Translation for Reference Only)

	Note	30 June 2019	31 December 2018
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Short-term borrowings	XVI.6	6,330,000	6,235,000
Derivative financial liabilities		339	–
Employee benefits payable		343,077	367,011
Taxes payable	XVI.7	24,906	15,513
Other payables	XVI.8	2,670,268	2,523,517
Current portion of non-current liabilities	XVI.9	9,386,500	8,886,500
Other current liabilities	IV.40	–	1,000,000
Total current liabilities		18,755,090	19,027,541
Non-current liabilities:			
Long-term borrowings	XVI.10	1,148,000	1,753,000
Debentures payable	XVI.11	4,000,000	2,000,000
Deferred income		16,689	18,569
Total non-current liabilities		5,164,689	3,771,569
Total liabilities		23,919,779	22,799,110
Shareholders' equity			
Share capital	IV.47	3,582,531	2,984,989
Other equity instruments	IV.48	4,107,745	4,007,545
Including: Perpetual bonds		4,107,745	4,007,545
Capital reserve	XVI.13	2,744,296	3,337,205
Other comprehensive income	XVI.14	436,324	344,122
Surplus reserve	IV.51	3,282,585	3,282,585
Undistributed profits	XVI.15	2,480,741	2,750,598
Total shareholder' equity		16,634,222	16,707,044
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		40,554,001	39,506,154

The accompanying notes form an integral part of these financial statements.

Legal representative's
authorised person: Mai BoliangThe person in charge of
accounting affairs: Zeng HanThe head of the accounting
department: Zeng Han

Chapter X 2019 Interim Financial Report (Unaudited)

CONSOLIDATED INCOME STATEMENT

For the period started from 1 January and ended 30 June 2019

(All amounts in RMB'000 unless otherwise stated)

(English Translation for Reference Only)

Items	Note	For the Period from 1 January to 30 June 2019	For the Period from 1 January to 30 June 2018
I. Revenue	IV.53	42,717,729	43,560,398
Less: Cost of sales	IV.53	36,947,210	37,552,731
Taxes and surcharges	IV.54	330,047	229,957
Selling and distribution expenses	IV.55	952,981	1,382,057
General and administrative expenses	IV.56	2,189,191	2,072,524
Research and development expenses	IV.57	537,657	327,229
Financial expenses	IV.58	561,019	392,524
Including: Interest expenses		874,784	634,106
Interest income		(371,671)	(222,248)
Add: Other income	IV.60	428,719	120,979
Investment (losses)/income	IV.61	89,208	195,771
Including: Share of profit of associates and joint ventures		25,064	25,375
Fair value (losses)/gains	IV.62	(203,183)	(44,497)
Credit losses	IV.63	50,798	74,812
Asset impairment losses	IV.64	(129)	9,753
Gains on disposals of assets	IV.65	54,818	37,319
II. Operating profit		1,518,517	1,828,383
Add: Non-operating income	IV.66	165,859	21,893
Less: Non-operating expenses	IV.67	44,220	20,465
III. Profit before income tax		1,640,156	1,829,811
Less: Income tax expenses	IV.68	537,936	513,854
IV. Net profit		1,102,220	1,315,957
Classified by business continuity			
Net profit from continuing operations		1,102,220	1,315,957
Net profit from discontinued operations		-	-
Classified by ownership			
Net profit attributable to shareholders and other equity holders of the parent company		679,829	965,397
Minority profit or loss		422,391	350,560

Chapter X 2019 Interim Financial Report (Unaudited)

CONSOLIDATED INCOME STATEMENT (CONTINUED)

For the period started from 1 January and ended 30 June 2019

(All amounts in RMB'000 unless otherwise stated)

(English Translation for Reference Only)

	Note	For the Period from 1 January to 30 June 2019	For the Period from 1 January to 30 June 2018
V. Other comprehensive income, net of tax	IV.50	324,619	(210,489)
Attributable to shareholders and other equity holders of the Company		305,940	(222,577)
Items that will not be reclassified to profit or loss		34,993	(50,744)
Changes in value of other equity investments		34,993	(50,744)
Items that may be reclassified subsequently to profit or loss		270,947	(171,833)
Changes in value of other debt investments		349	1,065
Gain of cash flow hedges		(142)	(2,504)
Revaluation gain on the date of transfer from owner-occupied properties to investment properties		116,819	–
Currency translation differences		153,921	(170,394)
Minority interests		18,679	12,088
VI. Total comprehensive income		1,426,839	1,105,468
Attributable to shareholders and other equity holders of the Company		985,769	742,820
Minority interests		441,070	362,648
VII. Earnings per share			
Basic earnings per share (RMB)	IV.69	0.1618	0.2551
Diluted earnings per share (RMB)	IV.69	0.1604	0.2532

The accompanying notes form an integral part of these financial statements.

Legal representative's
authorised person: Mai Boliang

The person in charge of
accounting affairs: Zeng Han

The head of the accounting
department: Zeng Han

Chapter X 2019 Interim Financial Report (Unaudited)

INCOME STATEMENT

For the period started from 1 January and ended 30 June 2019

(All amounts in RMB'000 unless otherwise stated)

(English Translation for Reference Only)

Items	Note	For the Period from 1 January to 30 June 2019	For the Period from 1 January to 30 June 2018
I. Revenue	XVI.16	124,533	159,174
Less: Cost of sales	XVI.16	2,130	–
Taxes and surcharges		3,282	2,581
General and administrative expenses		143,498	124,960
Research and development expenses		1,774	5,579
Financial expenses	XVI.17	41,513	93,762
Including: Interest expenses		468,752	235,069
Interest income		(411,609)	(105,426)
Add: Other income		5,526	6,587
Investment (loss)/profit	XVI.19	1,539,517	1,084,269
(Loss)/profit from changes in the fair value		(339)	513
Gains on disposals of assets		–	26,594
II. Operating profit		1,477,040	1,050,255
Add: Non-operating income		–	917
Less: Non-operating expenses		2	–
III. Profit before income tax		1,477,038	1,051,172
Less: Income tax credits	XVI.20	4,715	1,372
IV. Net profit		1,472,323	1,049,800
Classified by business continuity			
Net profit from continuing operations		1,472,323	1,049,800
Net profit from discontinued operations		–	–
V. Other comprehensive income, net of tax	XVI.14	92,202	(35,300)
Items that will not be reclassified to profit or loss		(24,617)	(35,300)
Changes in value of other equity investments		(24,617)	(35,300)
Items that may be reclassified subsequently to profit or loss		116,819	–
Revaluation gain on the date of transfer from owner-occupied properties to investment properties		116,819	–
VI. Total comprehensive income		1,564,525	1,014,500

The accompanying notes form an integral part of these financial statements.

Legal representative's
authorised person: Mai Boliang

The person in charge of
accounting affairs: Zeng Han

The head of the accounting
department: Zeng Han

Chapter X 2019 Interim Financial Report (Unaudited)

CONSOLIDATED CASH FLOW STATEMENT

For the period started from 1 January and ended 30 June 2019

(All amounts in RMB'000 unless otherwise stated)

(English Translation for Reference Only)

Items	Note	For the Period from 1 January to 30 June 2019	For the Period from 1 January to 30 June 2018
I. Cash flows from operating activities			
Cash received from sales of goods or rendering of services		43,085,330	44,450,122
Refund of taxes and surcharges		1,454,095	1,947,132
Cash received relating to other operating activities	IV.70(1)	559,297	364,782
Sub-total of cash inflows		45,098,722	46,762,036
Cash paid for goods and services		39,449,095	41,130,726
Cash paid to and on behalf of employees		3,680,612	3,283,595
Payments of taxes and surcharges		2,294,007	1,393,114
Cash paid relating to other operating activities	IV.70(2)	1,777,420	1,810,840
Sub-total of cash outflows		47,201,134	47,618,275
Net cash inflows from operating activities	IV.71(1)	(2,102,412)	(856,239)
II. Cash flows from investing activities			
Cash received from disposal of investments		15,927	962,656
Cash received from returns on investments		125,817	51,338
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		60,545	51,228
Net cash received from disposal of subsidiaries		11,948	126,743
Cash received relating to other investing activities	IV.70(3)	51,285	-
Sub-total of cash inflows		265,522	1,191,965
Cash paid to acquire fixed assets intangible assets and other long-term assets		1,764,802	1,895,414
Cash paid to acquire investments		1,521,326	802,196
Net cash paid to acquire subsidiaries		104,649	19,729
Cash paid relating to other investing activities	IV.70(4)	-	752,134
Sub-total of cash outflows		3,390,777	3,469,473
Net cash outflows from investing activities		(3,125,255)	(2,277,508)

Chapter X 2019 Interim Financial Report (Unaudited)

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

For the period started from 1 January and ended 30 June 2019

(All amounts in RMB'000 unless otherwise stated)

(English Translation for Reference Only)

Items	Note	For the Period from 1 January to 30 June 2019	For the Period from 1 January to 30 June 2018
III. Cash flows from financing activities			
Cash received from capital contributions		114,680	72,031
Including: Cash received from capital contributions by minority shareholders of subsidiaries		114,680	30,312
Cash received from borrowings		18,394,706	28,140,054
Cash received from issuing bonds		2,000,000	–
Cash received relating to other financing activities	IV.70(5)	2,084,235	81,032
Sub-total of cash inflows		22,593,621	28,293,117
Cash repayments of borrowings		19,246,889	22,228,750
Cash repayments of perpetual bond		–	2,000,000
Cash payments for distribution of dividends or profits and interest expenses		2,807,235	1,319,124
Including: Cash payments for dividends or profit to minority shareholders of subsidiaries		351,543	379,659
Cash payments relating to other financing activities	IV.70(6)	112,398	–
Sub-total of cash outflows		22,166,522	25,547,874
Net cash inflows from financing activities		427,099	2,745,243
IV. Effect of foreign exchange rate changes on cash and cash equivalents		(365,481)	(411,327)
V. Net increase/(decrease) in cash and cash equivalents	IV.71(1)	(5,166,049)	(799,831)
Add: Cash and cash equivalents at the beginning of the year		10,532,753	5,442,857
VI. Cash and cash equivalents at the end of the period	IV.71(2)	5,366,704	4,643,026

The accompanying notes form an integral part of these financial statements.

Legal representative's
authorised person: Mai Boliang

The person in charge of
accounting affairs: Zeng Han

The head of the accounting
department: Zeng Han

Chapter X 2019 Interim Financial Report (Unaudited)

CASH FLOW STATEMENT

For the period started from 1 January and ended 30 June 2019

(All amounts in RMB' 000 unless otherwise stated)

(English Translation for Reference Only)

Items	Note	For the Period from 1 January to 30 June 2019	For the Period from 1 January to 30 June 2018
I. Cash flows from operating activities			
Cash received from sales of goods or rendering of services		192,471	160,860
Cash received relating to other operating activities		7,145,525	7,807,370
Sub-total of cash inflows		7,337,996	7,968,230
Cash paid to and on behalf of employees		100,675	61,952
Payments of taxes and surcharges		41,270	30,518
Cash paid relating to other operating activities		7,733,436	10,749,157
Sub-total of cash outflows		7,875,381	10,841,627
Net cash outflows from operating activities	XVI.21	(537,385)	(2,873,397)
II. Cash flows from investing activities			
Cash received from disposal of investments		–	706,933
Cash received from returns on investments		1,586,478	366,350
Net cash received from disposal of fixed assets		–	14,485
Net Cash received from disposal of subsidiaries		44,075	40,000
Sub-total of cash inflows		1,630,553	1,127,768
Cash paid to acquire fixed assets and other long-term assets		1,754	12,911
Cash paid for investment		–	500,000
Net cash paid to acquire subsidiaries		200,000	–
Sub-total of cash outflows		201,754	512,911
Net cash inflows from investing activities		1,428,799	614,857
III. Cash flows from financing activities			
Cash received from investment		–	41,719
Cash received from borrowings		6,980,000	5,517,000
Cash received from issuing bonds		2,000,000	–
Sub-total of cash inflows		8,980,000	5,558,719
Cash repayments of borrowings		7,990,000	2,851,000
Cash payments for distribution of dividends or profits and interest expenses		1,601,821	200,852
Cash payments relating to other financing activities		15,531	745
Sub-total of cash outflows		9,607,352	3,052,597
Net cash inflows from financing activities		(627,352)	2,506,122
IV. Effect of foreign exchange rate changes on cash and cash equivalents		(4,167)	5,437
V. Net increase/(decrease) in cash and cash equivalents	XVI.21	259,895	253,019
Add: Cash and cash equivalents at the beginning of the year		721,395	335,730
VI. Cash and cash equivalents at the end of the period	XVI.21	981,290	588,749

The accompanying notes form an integral part of these financial statements.

Legal representative's
authorised person: Mai Boliang

The person in charge of
accounting affairs: Zeng Han

The head of the accounting
department: Zeng Han

Chapter X 2019 Interim Financial Report (Unaudited)

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the period started from 1 January and ended 30 June 2019

(All amounts in RMB'000 unless otherwise stated)

(English Translation for Reference Only)

Items	Notes	For the period from 1 January to 30 June 2019						For the period from 1 January to 30 June 2018								
		Attributable to shareholders and other equity holders of the Company			Attributable to shareholders and other equity holders of the Company			Attributable to shareholders and other equity holders of the Company			Attributable to shareholders and other equity holders of the Company					
		Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	Undistributed profits	Minority interests	Total shareholders' equity	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	Undistributed profits	Minority interests
I. Balance as at 31 December 2018		2,984,989	4,007,545	4,128,400	838,711	3,282,585	21,082,769	52,402,988	2,982,889	2,083,083	4,209,663	219,380	3,281,535	19,734,494	10,776,507	43,237,434
Changes in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Balance as at 1 January 2019		2,984,989	4,007,545	4,128,400	838,711	3,282,585	21,082,769	52,402,988	2,982,889	2,083,083	4,209,663	455,344	3,281,535	(146,737)	284,831	
III. Movements for the period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(I) Total comprehensive income		-	100,200	-	838,711	-	579,629	1,102,220	-	77,841	-	163,084	-	3,302,595	680,019	4,068,455
1. Net profit	IV.50	-	-	-	305,940	-	-	1,102,220	-	-	-	163,084	-	-	100,046	263,110
2. Other comprehensive income		-	100,200	-	305,940	-	579,629	1,102,220	-	77,841	-	163,084	-	3,302,595	680,019	4,068,455
Sub-total of 1&2		-	100,200	-	305,940	-	579,629	1,426,839	-	77,841	-	163,084	-	3,302,595	780,065	4,331,565
(II) Capital contribution and withdrawal by owners		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Increase in capital reserve resulted from share option exercised by company	IV.47	454	-	4,179	-	-	-	4,633	2,100	-	25,167	-	-	-	-	27,267
2. Contributions by minority Shareholders	IV.49	-	-	(1,603)	-	-	-	151,543	-	-	(40,162)	-	-	-	95,447	155,285
3. Increase in minority interests resulted from acquisition or establishment of subsidiary		-	-	-	-	-	-	433,669	-	-	65,333	-	-	-	3,614,770	3,619,437
4. Decrease in capital reserve resulted from acquisition of minority interest	IV.49	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,129)	(40,708)
5. Disposal of subsidiaries (without loss of control)	IV.49	-	-	46,016	-	-	-	(46,141)	-	-	(12,114)	-	-	-	84,819	72,705
6. Disposal of subsidiaries (lose control)		-	-	-	-	-	-	(26,611)	-	-	-	-	-	-	(11,794)	(11,794)
7. Increase in capital reserve resulted from share option exercised by subsidiary	IV.49	-	-	(144)	-	-	-	5,618	-	-	(5,073)	-	-	-	23,995	18,922
8. Increase in shareholders' equity resulted from share-based payments	IV.2	-	-	19,072	-	-	-	28,681	-	-	20,578	-	-	-	9,382	29,960
9. Redemption of other equity instruments		-	-	-	-	-	-	9,009	-	(1,981,143)	(18,857)	-	-	-	-	(2,000,000)
10. Redemption right granted to minority Shareholders	IV.49	-	-	1,249,826	-	-	-	1,249,826	-	-	-	-	-	-	-	-
11. Other comprehensive income changes to retained earnings		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12. Issuance of other equity instruments	IV.48	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13. Increase in capital from capital reserve	IV.48	597,088	-	(597,088)	-	-	-	-	3,981,604	-	-	-	-	-	-	3,981,604
14. Others	IV.49	-	-	-	-	-	-	869	-	-	6,110	-	-	-	-	6,110
(III) Profit distribution		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Appropriation to surplus reserves	IV.51	-	-	-	-	-	(1,641,980)	(1,992,344)	-	-	-	-	1,060	(1,050)	-	-
2. Profit distributions to shareholders	IV.52	-	-	-	-	-	-	(350,364)	-	-	-	-	-	(806,533)	(999,297)	(1,205,830)
3. Interest paid on other equity instruments	IV.48	-	-	-	-	-	-	-	-	(103,800)	-	-	-	-	-	(103,800)
IV. Balance as at 30 June 2019		3,582,531	4,107,745	4,830,127	1,144,651	3,282,585	21,020,418	53,685,786	2,994,989	4,007,545	4,128,400	838,711	3,282,585	22,082,769	15,077,989	52,402,988

The accompanying notes form an integral part of these financial statements.

Legal representative's
authorised person: Mai Bollang

The person in charge of
accounting affairs: Zeng Han

The head of the accounting
department: Zeng Han

Chapter X 2019 Interim Financial Report (Unaudited)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the period started from 1 January and ended 30 June 2019

(All amounts in RMB'000 unless otherwise stated)

(English Translation for Reference Only)

Items	Notes	For the period from 1 January to 30 June 2019						For the period from 1 January to 30 June 2018						
		State capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	Undistributed profits	Total shareholders' equity	State capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	Undistributed profits
I. Balance as at 31 December 2018		2,984,989	4,007,545	3,337,205	344,122	3,282,585	16,707,044	2,982,889	2,033,043	3,330,895	43,754	3,281,535	2,189,653	13,861,789
Changes in accounting policies		-	-	-	-	-	-	-	-	-	451,344	-	-	451,344
II. Balance as at 1 January 2019		2,984,989	4,007,545	3,337,205	344,122	3,282,585	16,707,044	2,982,889	2,033,043	3,330,895	495,098	3,281,535	2,189,653	14,313,113
III. Movements for the period														
(i) Total comprehensive income														
1. Net profit		-	100,200	-	-	-	1,472,323	-	77,841	-	-	-	1,368,528	1,446,369
2. Other comprehensive income	XVI.14	-	-	-	92,202	-	92,202	-	-	-	(150,976)	-	-	(150,976)
Sub-total of 1&2		-	100,200	-	92,202	-	1,372,123	-	77,841	-	(150,976)	-	1,368,528	1,295,393
(ii) Capital contribution and withdrawal by owners														
1. Increase in shareholders' equity resulted from share-based payment	IX.2	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Increase in capital reserve resulted from share option exercised by company	IV.47	-	-	4,179	-	-	4,633	2,100	-	25,167	-	-	-	27,267
3. Issuance of other equity instruments	IV.49	454	-	-	-	-	-	-	3,981,604	-	-	-	-	3,981,604
4. Redemption of other equity instruments	IV.48	-	-	-	-	-	-	-	(1,981,143)	(18,857)	-	-	-	(2,000,000)
(iii) Profit distribution														
1. Appropriation to surplus reserves	IV.51	-	-	-	-	-	-	-	-	-	-	1,050	(1,050)	-
2. Profit distribution to shareholders	IV.52	-	-	-	-	-	(1,641,980)	-	-	-	-	-	(806,533)	(806,533)
3. Interest paid on other equity instruments	IV.48	-	-	-	-	-	-	-	(103,800)	-	-	-	-	(103,800)
(iv) Internal carryforward of owners' equity														
1. Increase in capital from capital reserve		597,088	-	(597,088)	-	-	-	-	-	-	-	-	-	-
IV. Balance as at 30 June 2019		3,582,531	4,107,745	2,744,296	436,324	3,282,585	16,634,222	2,984,989	4,007,545	3,337,205	344,122	3,282,585	2,750,598	16,707,044

The accompanying notes form an integral part of these financial statements.

Legal representative's

authorised person: Mai Bollang

The person in charge of
accounting affairs: Zeng Han

The head of the accounting
department: Zeng Han

Notes to the Financial Statements

For the period started from 1 January and ended 30 June 2019

(All amounts in RMB'000 unless otherwise stated)

(English Translation for Reference Only)

I. GENERAL INFORMATION

China International Marine Containers (Group) Co., Ltd. (the "Company"), formerly "China International Marine Containers Co., Ltd.", was a Sino-foreign joint venture set up by China Merchants Group, the East Asiatic Company (Denmark) and Ocean Containers Inc. (USA). In December 1992, as approved by "Shen Fu Ban Fu [1992] 1736" issued by the General Office of the People's Government of Shenzhen and "Shen Ren Yin Fu Zi [1992] 261" issued by Shenzhen Special Economic Zone Branch of People's Bank of China, the Company was restructured as an incorporated company set up by directional subscription and was renamed as "China International Marine Containers Co., Ltd." by the original corporate shareholders of the Company. On 31 December 1993 and 17 January 1994 respectively, the Company issued ordinary shares denominated in Renminbi for domestic investors (A Shares) and for foreign shares issued domestically (B Shares), and commenced trading on Shenzhen Stock Exchange, pursuant to "Shen Fu Ban Fu [1993] 925" issued by the General Office of the People's Government of Shenzhen and "Shen Zheng Ban Fu [1994] 22" issued by Shenzhen Securities Administration Office. On 1 December 1995, as approved by the State Administration of Industry and Commerce, the Company changed its name to "China International Marine Containers (Group) Co., Ltd". The Registered Address and Address of Head Office of the company is 8th Floor, CIMC R&D Centre, 2 Gangwan Avenue, Shekou, Nanshan District, Shenzhen, Guangdong, PRC.

On 19 December 2012, the Company's domestically listed foreign shares (B shares) changed listing location and went publication on the main market of the Hong Kong Stock Exchange through the way of introduction. Henceforth, all the Company's B shares converted to overseas listed foreign shares (H shares).

The principal activities of the Company and its subsidiaries (together referred to as the "Group") are the manufacturing of modern transportation facilities, facilities for energy, food, chemistry and rendering of relative services. Detailed activities are the manufacturing and repairing of containers and other relevant business; utilizing the Group's equipment to process and manufacture various parts, structure components and relevant machines; providing cutting, punching, moulding, riveting surface treatment (including sand/paint spraying, welding and assembly) and other processing services; developing, manufacturing and selling of various high-tech and high performance special vehicles, heavy truck, airport equipment, fire-engine and semi-trailers; leasing of containers; developing, production and sales of high-end fuel gas equipments such as pressure container and compressor; providing integrated services for natural gas distribution; production of static container and pot-type wharf equipments and providing EP+CS (engineering procurement and construction supervision) technical service for the storage and processing of LNG, LPG and other petrochemical gases. Apart from the above, the Group is also engaged in financial equity investment, manufacturing of logistic equipment and related services, marine projects and property development, etc.

CIMC Enric Holdings Limited ("Enric"), the subsidiary of the Group, is listed in the Main Board of the Hong Kong Stock Exchange. The principal activities of Enric are the design, development, manufacturing, engineering and sales of, and the provision of technical maintenance service for, a wide spectrum of transportation, storage and processing equipment that is widely used in energy, chemical and liquid food industries.

CIMC-TianDa Holdings Company Limited ("CIMC TianDa"), the subsidiary of the Group, is listed in the Main Board of the Hong Kong Stock Exchange. The principal activities of CIMC TianDa are the production and sale of passenger boarding bridges, airport ground support equipment and garage systems; providing engineering and computer software solutions for logistics operations in the airports, e-commerce, express delivery, warehousing and other industries; production and sales of fire engines and fire fighting equipment.

CIMC Vehicles (Group) Co., Ltd ("CIMC Vehicles"), the subsidiary of the Group, is listed in the Main Board of the Hong Kong Stock Exchange. The principal activities of CIMC Vehicles are manufacture and sale of semi-trailers and truck bodies for specialty vehicles.

Notes to the Financial Statements

For the period started from 1 January and ended 30 June 2019
(All amounts in RMB' 000 unless otherwise stated)
(English Translation for Reference Only)

I. GENERAL INFORMATION (CONTINUED)

Please refer to Note VI for details of subsidiaries included in the scope of consolidation and also refer to Note V.1 for the details of subsidiaries newly included in the scope of consolidation. Please refer to Note V.2 for the details of subsidiaries excluded from the scope of consolidation.

This financial statements have been approved for announcement by the Company's Board of Directors on 27 August 2019.

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The Group makes specific accounting policies and accounting estimates according to characteristics of its business operations, which include expected credit losses of receivables and contract assets (Note II.9), the cost of inventories (Note II.11), the criteria for determining impairment of non-current assets (Note II.20), depreciation policy of fixed assets and amortisation policy of intangible assets (Note II.14 and 17), measurement of provisions (Note II.21), measurement model of investment real estate (Note II.13) and revenue recognition and measurement (Note II.23), etc.

Key judgments applied for critical accounting policies by the Group are disclosed in Note II. 33.

1. Basis of preparation

The financial statements were prepared in accordance with the Basic Standard and specific standards of the Accounting Standards for Business Enterprises issued by the Ministry of Finance on 15 February 2006, the Application Guidance for Accounting Standards for Business Enterprises, the Interpretations of Accounting Standards for Business Enterprises and other relevant regulations issued by the Ministry of Finance (hereafter collectively referred to as 'the Accounting Standards for Business Enterprises' or 'CAS') and the disclosure requirements in the Preparation Convention of Information Disclosure by Companies Offering Securities to the Public No.15 – General Rules on Financial Reporting issued by the China Securities Regulatory Commission.

The financial statements are prepared on a going concern basis.

Some notes in this financial statement have been prepared in accordance with requirements of the Hong Kong Companies Ordinance.

2. Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements of the Company for the period ended 30 June 2019 are in compliance with the Accounting Standards for Business Enterprises, and truly and completely present the financial position of the Consolidated and the Company as at 30 June 2019 and of their financial performance, cash flows and other information for the year then ended.

3. Accounting year

The Company's accounting year starts from 1 January to 31 December.

Notes to the Financial Statements

For the period started from 1 January and ended 30 June 2019

(All amounts in RMB'000 unless otherwise stated)

(English Translation for Reference Only)

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

4. Recording currency

Functional currency is determined by the Company and its subsidiaries on the basis of the currency in which major income and costs are denominated and settled.

The functional currency of the Company and its subsidiaries domiciled in PRC are Renminbi. Hong Kong and the overseas subsidiaries use local currencies as their functional currencies. Foreign currencies are defined as currency other than functional currency.

Financial statements of the Company are presented in Renminbi. For subsidiaries using currencies other than Renminbi as their functional currencies, the Company translates the functional currencies of these subsidiaries into Renminbi (see Note II.8).

5. Business combinations

(1) Business combinations involving enterprises under common control

A business combination involving enterprises under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The assets and liabilities obtained are measured at the carrying amounts as recorded by the enterprise being combined at the combination date. If the company to be merged is acquired by the absorbing party from a third party in previous years, the assets and liabilities of the company (including the goodwill formed by the acquisition by the absorbing party) are included in the final consolidated financial statement and are based on book value. The difference between the carrying amount of the net assets obtained and the carrying amount of consideration paid for the combination (or the total face value of shares issued) is adjusted to capital premium in the capital reserve. If the balance of the capital premium is insufficient, any excess is adjusted to retained earnings. Any costs directly attributable to the combination shall be recognised in profit or loss for the current period when occurred. The costs of the issuance of equity or debt securities as a part of the consideration paid for the acquisition are included as a part of initial recognition amount of the equity or debt securities. The combination date is the date on which one combining enterprise effectively obtains control of the other combining enterprises.

(2) Business combinations involving enterprises not under common control

A business combination involving enterprises not under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties both before and after the business combination. Where 1) the aggregate of the fair value at the acquisition date of assets transferred (including the acquirer's previously held equity interest in the acquiree), liabilities incurred or assumed, and equity securities issued by the acquirer, in exchange for control of the acquiree, exceeds 2) the acquirer's interest in the fair value at the acquisition date of the acquiree's identifiable net assets, the difference is recognised as goodwill (see Note II.18). When 1) is less than 2), the difference is recognised in profit or loss for the current period. The costs of the issuance of equity or debt securities as a part of the consideration paid for the acquisition are included as a part of initial recognition amount of the equity or debt securities. Other direct acquisition-related costs arising from the business combination are recognised as expenses in the periods in which the costs are incurred. The difference between the fair value and the carrying amount of the assets transferred is recognised in profit or loss. The acquiree's identifiable asset, liabilities and contingent liabilities, if satisfying the recognition criteria, are recognised by the Group at their fair value at the acquisition date. The acquisition date is the date on which the acquirer effectively obtains control of the acquiree.

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(All amounts in RMB' 000 unless otherwise stated)
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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

6. Preparation of consolidated financial statements

The scope of consolidated financial statements is based on control and the consolidated financial statements comprise the Company and its subsidiaries. Control means the group has rights in the invested entity, and could gain returns through its involvement with the entity as well as has the ability to affect those returns through its power over the entity. The financial position, financial performance and cash flows of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Where a subsidiary was acquired during the Reporting Period, through a business combination involving enterprises under common control, the financial statements of the subsidiary are included in the consolidated financial statements as if the combination had occurred at the date that the ultimate controlling party first obtained control. The opening balances and the comparative figures of the consolidated financial statements are also restated. In the preparation of the consolidated financial statements, the subsidiary's assets and liabilities based on their carrying amounts are included in the consolidated balance sheet, and financial performance is included in the consolidated income statement, respectively, from the date that the ultimate parent company of the Company obtains the control of the subsidiary to be consolidated.

Where a subsidiary was acquired during the Reporting Period, through a business combination involving enterprises not under common control, the identifiable assets and liabilities of the acquired subsidiaries are included in the scope of consolidation from the date that control commences, base on the fair value of those identifiable assets and liabilities at the acquisition date.

For a business combination not involving enterprises under common control and achieved in stages, the Group remeasures its previously-held equity interest in the acquiree to its fair value at the acquisition date. The difference between the fair value and the carrying amount is recognised as investment income for the current period; the amount recognised in other comprehensive income relating to the previously-held equity interest in the acquiree is reclassified as investment income for the current period.

Where the Company acquires a minority interest from a subsidiary's minority shareholders or disposes of a portion of an interest in a subsidiary without a change in control, the difference between the amount by which the minority interests are adjusted and the amount of the consideration paid or received is adjusted to the stock premium (capital surplus) in capital reserve in the consolidated balance sheet. If the credit balance of stock premium (capital surplus) in capital reserve is insufficient, any excess is adjusted to retained earnings.

When the Group loses control of a subsidiary due to the disposal of a portion of an equity investment, the Group derecognises assets, liabilities, minority interests and other related items in owners' equity in relation to that subsidiary. The remaining equity investment is remeasured at its fair value at the date when control is lost. Any gains or losses therefore incurred are recognised as investment income for the current period when control is lost.

When the amount of loss for the current period attributable to the minority shareholders of a subsidiary exceeds the minority shareholders' portion of the opening balance of shareholders' equity of the subsidiary, the excess is allocated against the minority interests.

When the accounting period or accounting policies of a subsidiary are different from those of the Company, the Company makes necessary adjustments to the financial statements of the subsidiary based on the Company's own accounting period or accounting policies.

Notes to the Financial Statements

For the period started from 1 January and ended 30 June 2019

(All amounts in RMB'000 unless otherwise stated)

(English Translation for Reference Only)

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

6. Preparation of consolidated financial statements (Continued)

All significant inter-group balances, transactions and unrealised profits are eliminated in the consolidated financial statements. The portion of a subsidiary's equity and the portion of a subsidiary's net profit and loss for the period as well as comprehensive income not attributable to Company are recognised as minority interests, net profit and loss attributable to minority interests as well as and comprehensive income attributable to minority interests presented separately in the consolidated financial statements within equity and net profit as well as total comprehensive income respectively. The unrealised profit and loss arising from sales of assets to subsidiaries by the Company are fully eliminated against net profit attributable to owners of the Company. The unrealised profit and loss arising from sales of assets to the Company by subsidiaries are eliminated against net profit attributable to owners of the Company as well as net profit attributable to minority interests respectively according to the Company and minority interests' shareholding on the subsidiaries. The unrealised profit and loss arising from sales of between subsidiaries are eliminated against net profit attributable to owners of the Company as well as net profit attributable to minority interests respectively according to the Company and minority interests' share holdings on the subsidiary who sold.

The difference on recognising a same transaction between on the accounting subjects of the Group and of the Company or its subsidiaries would be adjusted on the accounting subject of the Group.

7. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits that can be readily drawn on demand, and short-term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

8. Foreign currency transactions and translation of financial statements denominated in foreign currency

When the Group receives capital in foreign currencies from investors, the capital is translated to functional currency at the spot exchange rate at the date of the receipt. Other foreign currency transactions are, on initial recognition, translated to functional currency at the rates that approximate the spot exchange rates at the dates of the transactions.

A spot exchange rate is an exchange rate quoted by the People's Bank of China. A rate that approximates the spot exchange rate is a rate determined under a systematic and rational method. Normally the average exchange rate of the current period or the weighted average exchange rate.

Notes to the Financial Statements

For the period started from 1 January and ended 30 June 2019

(All amounts in RMB' 000 unless otherwise stated)

(English Translation for Reference Only)

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

8. Foreign currency transactions and translation of financial statements denominated in foreign currency (Continued)

Monetary items denominated in foreign currencies are translated to functional currency at the spot exchange rate at the balance sheet date. The resulting exchange differences, except for those arising from the principal and interest of specific foreign currency borrowings for the purpose of acquisition, construction or production of qualifying assets (see Note II.16), are recognised in profit or loss. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated to functional currency using the foreign exchange rate at the transaction date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated using the foreign exchange rate at the date the fair value is determined; the resulting exchange differences are recognised in profit or loss, except for the differences arising from the translation of available-for-sale financial assets, which are recognised as other comprehensive income. The effect of exchange rate changes on cash presented separately in the cash flow statement.

The assets and liabilities of foreign operation are translated to functional currency at the spot exchange rates at the balance sheet date. The equity items, excluding "Retained earnings", are translated to functional currency at the spot exchange rates at the transaction dates. The income and expenses of foreign operation are translated to functional currency at the rates that approximate the spot exchange rates at the transaction dates. The resulting translation differences are recognised in a separate component of equity. Upon disposal of a foreign operation, the cumulative amount of the translation differences recognised in equity which relates to that foreign operation is transferred to profit or loss in the period in which the disposal occurs. The cash flows of overseas operations are translated at the spot exchange rates on the dates of the cash flows. The effect of exchange rate changes on cash presented separately in the cash flow statement.

9. Financial instruments

A financial instrument is a contract that forms a financial asset of one party and forms a financial liability or equity instrument of the other parties. When the Group becomes a party of a financial instrument contract, the relevant financial assets or financial liabilities are recognised.

(1) Financial Assets

(a) *Classification and measurement*

The Group classifies financial assets according to the business model for managing the financial assets and the contractual terms of the cash flows: (1) financial assets at amortised cost; (2) financial assets at fair value through other comprehensive income (referred to as "FVOCI"); (3) financial assets at fair value through profit or loss (referred to as "FVPL").

Notes to the Financial Statements

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(English Translation for Reference Only)

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (Continued)

(1) Financial Assets (Continued)

(a) *Classification and measurement (Continued)*

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. For the accounts receivables and notes receivables arising from the sale of products or the provision of labor services that do not contain or consider the significant financing components, the consideration to be received is recognised as the initial recognition amount.

(i) Debt instruments

The debt instruments held by the Group refer to the tools that meet the definition of financial liabilities from the perspective of the issuer and are measured in the following three ways:

At amortised cost:

The Group's business model for managing such financial assets is to collect contractual cash flows, and the characteristics of contractual cash flows of such financial assets are consistent with basic lending and borrowing arrangements, namely the cash flows generated on a specific date are solely payments of principal and interest based on the outstanding principal amount. Interest income from these financial assets is included in financial income using the effective interest rate method. Such financial assets mainly include cash at bank and on hand, notes and accounts receivables, other receivables, debt investment and long-term receivables. The Group will present the debt investments and long-term receivables due within one year (including one year) from the balance sheet date as current portion of non-current assets; the debt investments with a time limit for acquisition that is within one year (including one year) is presented as other current assets.

At fair value through other comprehensive income:

The Group's business model for managing such financial assets are both to collect contractual cash flows and hold for sale, and the characteristics of contractual cash flows of such financial assets are consistent with basic lending and borrowing arrangements. Such financial assets are measured at fair value through other comprehensive income, except for the recognition of impairment gains or losses, foreign exchange gains and losses and interest income calculated using effective interest method, which are recognised in profit or loss. Such financial assets are presented as other debt investments. Other debt investments due within one year (including one year) from the balance sheet date are presented as current portion of non-current assets; the debt investments with a time limit of less than or equal to one year upon acquisition is presented as other current assets.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (Continued)

(1) Financial Assets (Continued)

(a) *Classification and measurement (Continued)*

(i) Debt instruments (Continued)

At fair value through profit or loss

Debt instruments held by the Group that are neither measured at amortised cost nor at fair value through profit or loss, are measured at fair value through profit or loss, and are presented as financial assets held for trading. At initial recognition, in order to eliminate or significantly reduce accounting mismatch, the Group designates certain financial assets as financial assets at fair value through profit or loss. If it is more than one year from the balance sheet date and is expected to be held for more than one year, it is presented as other non-current financial assets.

(ii) Equity instruments

The Group measures equity instruments that have no control, joint control or significant influence at fair value through profit or loss and the equity instruments are presented as financial assets held for trading; financial assets held for trading that is expected to be held for more than one year from the balance sheet date is presented as other non-current financial assets.

In addition, the Group designates certain non-tradable equity instrument investments as financial assets at fair value through other comprehensive income and are presented as other equity investments. The relevant dividend income of such financial assets is recognised in current profit or loss.

Notes to the Financial Statements

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(English Translation for Reference Only)

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (Continued)

(1) Financial Assets (Continued)

(b) *Impairment*

The Group recognises loss provision based on expected credit losses for financial assets at amortised cost, debt investments at fair value through profit or loss, contract assets and financial guarantee contracts.

The Group considers reasonable and evidenced information such as past events, current conditions and forecasts of future economic conditions, taking the risk of default as a weight, and calculating the difference between the cash flows receivable from the contract and the cash flows expected to be received, and the probability-weighted amount of the difference is recognised as the expected credit losses.

At each balance sheet date, the Group measures the expected credit losses of financial instruments at different stages. If the credit risk of the financial instrument has not significantly increased since initial recognition, the instrument is in the first stage. The Group measures the allowance for that financial instrument at an amount equal to 12-month expected credit losses. If the credit risk of the financial instrument has significantly increased since initial recognition, the instrument is in the second stage. The Group measures the allowance for that financial instrument at an amount equal to lifetime expected credit losses. If the financial instrument has suffered credit impairment since the initial recognition, it is in the third stage, and the Group measures the allowance for that financial instrument at an amount equal to lifetime expected credit losses.

For financial instruments with lower credit risk at the balance sheet date, the Group assumes that its credit risk has not significantly increased since the initial recognition, and measures the allowance for that financial instrument at an amount equal to 12-month expected credit losses.

For the financial instruments in the first stage and the second stage, and that with lower credit risk, the Group calculates interest income based on its book balance and effective interest rate without deducting the impairment provision. For the financial instruments in the third stage, the interest income is calculated according to the book balance minus the amortised cost and the effect interest rate after the impairment provisions.

For notes and accounts receivables and contract assets, regardless of whether there is a significant financing component, the Group measures the allowance for that financial instrument at an amount equal to lifetime expected credit losses. The contract assets are related to the uninvoiced work in progress, and their risk characteristics are essentially the same as the accounts receivables of similar contracts. Therefore, the Group believes that the expected credit loss rate of accounts receivables is close to that of contract assets.

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(English Translation for Reference Only)

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (Continued)

(1) Financial Assets (Continued)

(b) Impairment (Continued)

In order to measure the expected credit losses, the Group divides the receivables and contract assets into several groups on the basis of the shared credit risk characteristics and the overdue days. The basis for determining the group is as follows:

Unique Receivables	Customers involved in projects with large scales and long-term cooperation or cooperation with abnormal situations
Bank Acceptance Bill	Banks with lower credit risk
Accounts Receivables Portfolio 1	Containers business
Accounts Receivables Portfolio 2	Road transportation vehicles business
Accounts Receivables Portfolio 3	Energy, chemical and liquid food equipment business
Accounts Receivables Portfolio 4	Marine Engineering services
Accounts Receivables Portfolio 5	Airport facilities business
Accounts Receivables Portfolio 6	Heavy truck business
Accounts Receivables Portfolio 7	Logistics services
Accounts Receivables Portfolio 8	Other business

For the notes receivables classified as a group, the Group calculates the expected credit losses by reference to the historical credit losses experience, considering the current situation and the forecast of future economic conditions as well, and finalizes the expected credit losses through the default risk exposure and the expected credit loss rate of its entire lifetime.

For the accounts receivables classified as a group, the Group calculates the expected credit losses by reference to the historical credit losses experience, considering the current situation and the forecast of future economic conditions as well, and calculates the expected credit losses through compiling a comparison table of the overdue days of accounts receivables and the expected credit loss rate of its entire lifetime.

For other receivables classified as a group, the Group refers to the historical credit losses experience, together with the current situation and the forecast of future economic conditions, and calculates the expected credit losses through the default risk exposure and the expected credit loss rate in the next 12 months or the entire lifetime.

For the finance lease receivables, the Group assesses expected credit losses by combining forward-looking information. Models and assumptions are used in the measurement of expected credit losses, including expectations of future economic conditions and the credit status of the lessees (the probability of customers' default and the corresponding losses).

The Group recognises the loss provision or provision reversal in current profit or loss. For debt instruments held at fair value through profit or loss, the Group adjusts other comprehensive income when the impairment loss or gain is recognised in profit or loss.

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For the period started from 1 January and ended 30 June 2019

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(English Translation for Reference Only)

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (Continued)

(1) Financial Assets (Continued)

(c) *Derecognition*

The Group derecognises a financial asset, if the part being considered for derecognition meets one of the following conditions: (i) the contractual rights to receive the cash flows from the financial asset expire; or (ii) the contractual rights to receive the cash flows of the financial asset have been transferred, the Group transfers substantially all the risks and rewards of ownership of the financial asset; or (iii) the Group retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to the eventual recipient in an agreement that meets all the conditions of derecognition of transfer of cash flows ("pass through" requirements) and transfers substantially all the risks and rewards of ownership of the financial asset.

When the other equity investment is derecognised, the difference between its book balance and the combination of its received value and the accumulated amount of changes in fair value directly recognised in other comprehensive income is recognised in retained earnings; When other financial assets is derecognised, the difference between the sum of the consideration received and the cumulative amount of changes in fair value that is directly recognised in other comprehensive income originally is recognised in profit or loss.

(2) Financial Liabilities

Financial liabilities are classified into financial liabilities at amortised cost and financial liabilities at fair value through profit or loss at initial recognition.

The Group's financial liabilities are mainly measured at amortised cost, including notes and accounts payables, other payables, borrowings and debentures payable. Such financial liabilities are initially measured at their fair value less transaction costs and are subsequently measured using the effective interest rate method. If the term is less than one year (including one year), it shall be listed as current liabilities; if the term is more than one year but expires within one year (including one year) from the balance sheet date, it shall be listed as current portion of non-current liabilities; the rest are presented as non-current liabilities.

When all or part of the current obligations of a financial liability have been discharged, the Group derecognises the portion of the financial liability or obligation that has been discharged. The difference between the book value of the derecognition portion and the consideration paid is recognised in profit or loss.

A financial guarantee contract is a contract for a contract holder who claims to issue a loss to pay a specified amount when the debtor fails to pay the debt in accordance with the terms of the original or modified debt instrument. As an issuer of such financial liabilities, an enterprise shall, after initial recognition, deduct the accumulated amortisation amount determined in accordance with the income criteria (Note II.23) from the loss provision and the initial recognition amount respectively, and finalize the measurement with the higher value of the two.

Notes to the Financial Statements

For the period started from 1 January and ended 30 June 2019

(All amounts in RMB' 000 unless otherwise stated)

(English Translation for Reference Only)

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (Continued)

(3) Fair value determination of financial instruments

The fair value of a financial instrument that is traded in an active market is determined at the quoted price in the active market. The fair value of a financial instrument that is not traded in an active market is determined by using an appropriate valuation technique that is applicable to current circumstances and supported by sufficient available data and other information. Valuation techniques mainly include market approach and income approach. When applying valuation techniques, inputs used by market participants in the transactions of the assets or liabilities with similar characteristics would be used and observable inputs would be given priority to the extent possible. Unobservable inputs would only be used when it is impossible or impracticable to obtain relevant observable inputs.

(4) Derivative financial instruments

Derivatives are initially recognised at the date of the contract and are initially and subsequently measured at fair value. Derivatives are reflected as assets when its fair value is positive, and as liabilities when negative.

Certain derivatives are embedded in hybrid contracts, such as conversion option in convertible bonds. The Group splits the embedded derivatives into separate derivative instruments when the following conditions are met:

- (1) the economic characteristics and risks of embedded derivatives are not closely related to the main contract;
- (2) tools that have the same terms but exist independently satisfy the definition of the derivative; and
- (3) the hybrid instrument is not measured at fair value through profit or loss.

The Group may choose to measure the embedded derivative instruments at fair value through profit or loss, or choose to designate the hybrid contract as at fair value through profit or loss.

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(English Translation for Reference Only)

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (Continued)

(5) Equity Instruments

An equity instrument is a contract that demonstrates the residual equity in the assets of the Group after deducting all liabilities.

Financial instruments issued shall be classified as equity instruments when the following conditions are met: (1) The financial instruments do not include the delivery of cash or other financial assets to other parties, or exchange financial assets or financial liabilities with other parties under potentially adverse conditions; (2) in the future, the financial instrument shall be settled or may be settled by its own and satisfy the following situations separately: if the financial instrument is a non-derivative instrument, settlement shall exclude the contractual obligation to deliver a variable amount of its own; if the financial instrument is derivative, it can only be settled by exchanging a fixed amount of cash or other financial assets with a fixed amount of its own.

Other equity instruments issued by the Group are recognised at the consideration that actually received deduct the transaction costs that is directly attributable to equity transactions.

The distribution of dividends during the existence of other equity instruments shall be treated as profit distribution.

The consideration and transaction fees of repurchasing the Group's equity instruments paid by the Group would cause reduction of the Group's shareholders' equity.

10. Receivables

Receivables comprise of notes and accounts receivables, other receivables and long-term receivables. Accounts receivables arising from sale of goods or rendering of services are initially recognised at fair value of the contractual payments from the buyers or service recipients. In subsequent measurement, it is measured at effective interest rate method based on amortised cost less impairment. For the impairment provision for the Group's receivables, please refer to Note II.9(1)(b).

11. Inventories

(1) Classification

Inventories include raw materials, work in progress, semi-finished goods, finished goods and reusable materials. Reusable materials include low-value consumables, packaging materials and other materials, which can be used repeatedly but do not meet the definition of fixed assets.

(2) Cost of inventories

Cost of inventories is calculated using the weighted average method.

Notes to the Financial Statements

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(All amounts in RMB' 000 unless otherwise stated)
(English Translation for Reference Only)

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Inventories (Continued)

(3) The underlying factors in the determination of net realisable values of inventories and basis of allowance for impairment of inventories

Inventories are initially measured at cost. Cost of inventories comprises all costs of purchase, costs of conversion and other expenditures incurred in bringing the inventories to their present location and condition. Borrowing costs directly related to the production of qualifying inventories are also included in the cost of inventories (see Note II.16). In addition to the purchasing cost of raw materials, work in progress and finished goods include direct labour costs and an appropriate allocation of production overheads.

At the balance sheet date, inventories are carried at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the normal course of business less the estimated costs to completion and the estimated expenses and related taxes necessary to make the sale. The net realisable value of materials held for use in the production of inventories is measured based on the net realisable value of the finished goods in which they will be incorporated. The net realisable value of the quantity of inventory held to satisfy sales or service contracts is based on the contract price. If the quantities of inventories specified in sales contracts are less than the quantities held by the Group, the net realisable value of the excess portion of inventories shall be based on general selling prices.

Any excess of the cost over the net realisable value of each class of inventories is recognised in profit or loss as allowance for impairment of inventories.

(4) Inventory system

The Group maintains a perpetual inventory system.

(5) Amortisation of reusable material including low-value consumables and packaging material

Reusable materials including low-value consumables and packaging materials are amortised in full when received for use. The amounts of the amortisation are included in the cost of the related assets or profit or loss.

12. Long-term equity investments

Long-term equity investments comprise the Company's long-term equity investments in its subsidiaries and the Group's long-term equity investments in its joint ventures and associates.

Subsidiaries are the investees over which the Company is able to exercise control. Joint ventures are the investees over which the Group is able to exercise joint control together with other ventures and the Group enjoys the rights only on the net assets of investees. Associates are the investees that the Group has significant influence on their financial and operating policies.

Investments in subsidiaries are presented in the Company's financial statements using the cost method, and are adjusted for preparing the consolidated financial statements using the equity method. Investments in joint ventures and associates are accounted for using the equity method.

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For the period started from 1 January and ended 30 June 2019

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

12. Long-term equity investments (Continued)

(1) Determination of investment cost

For long-term equity investments acquired through a business combination: for long-term equity investments acquired through a business combination involving enterprises under common control, the investment cost shall be the absorbing party's share of the carrying amount of owners' equity of the party being absorbed at the combination date; for long-term equity investment acquired through a business combination involving enterprises not under common control, the investment cost shall be the combination cost.

For long-term equity investments acquired not through a business combination: for long-term equity investment acquired by payment in cash, the initial investment cost shall be the purchase price actually paid; for long-term equity investments acquired by issuing equity securities, the initial investment cost shall be the fair value of the equity securities issued.

(2) Subsequent measurement

For long-term equity investments accounted for using the cost method, they are measured at the initial investment costs, and cash dividends or profit distribution declared by the investees are recognised as investment income in profit or loss.

For long-term equity investments accounted for using the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets at the acquisition date, the long-term equity investment is measured at the initial investment cost; where the initial investment cost is less than the Group's share of the fair value of the investee's identifiable net assets at the acquisition date, the difference is included in profit or loss and the cost of the long-term equity investment is adjusted upwards accordingly.

For long-term equity investments accounted for using the equity method, the Group recognises the investment income according to its share of net profit or loss of the investee. If the accounting policies and the accounting periods are inconsistent between the Company and investees, the financial statements of investees are adjusted in accordance with the accounting policies and accounting period of the Company. The Group discontinues recognising its share of net losses of an investee after the carrying amount of the long-term equity investment together with any long-term interests that, in substance, form part of the investor's net investment in the investee are reduced to zero. However, if the Group has obligations for additional losses and the criteria with respect to recognition of provisions under the accounting standards on contingencies are satisfied, the Group continues recognising the investment losses and the provisions. For changes in owners' equity of the investee other than those arising from its net profit or loss, the Group records its proportionate share directly into capital reserve, provided that the Group's proportion of shareholding in the investee remains unchanged. The carrying amount of the investment is reduced by the Group's share of the profit distribution or cash dividends declared by an investee. The unrealised profits or losses arising from the intra-group transactions amongst the Group and its investees are eliminated in proportion to the Group's equity interest in the investees, and then based on which the investment gains or losses are recognised. For the loss on the intra-group transaction amongst the Group and its investees attributable to asset impairment, any unrealised loss is not eliminated.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

12. Long-term equity investments (Continued)

(3) Basis for determining the existence of joint control or significant influence over an investee

Control is the power over the investee to enjoy variable returns by participating in related activities of the investee and the ability to affect the return amount by executing the power over the investee.

Joint control is the sharing of control over an arrangement according to related agreement, and exists only when the decisions relating to the activity of the arrangement require the unanimous consent of the parties sharing control.

Significant influence is the power to participate in the determination of financial and operating policies of the investee, but is not control or joint control over those policies.

(4) Impairment of the long term equity investment

The carrying amount of long-term equity investments in subsidiaries, joint ventures and associates is reduced to the recoverable amount if the recoverable amount is below the carrying amount (Note II.20).

13. Investment properties

Investment properties, including land use rights that have already been leased out, buildings that are held for the purpose of leasing and buildings that are being constructed or developed for future use for leasing, are measured initially at cost. Subsequent expenditures incurred in relation to an investment properties are included in the cost of the investment properties when it is probable that the associated economic benefits will flow to the Group and their costs can be reliably measured; otherwise, the expenditures are recognised in profit or loss for the period in which they are incurred.

The Group adopts fair value model to subsequently measure investment properties and don't provide depreciation or amortisation. The carrying amount of investment properties is adjusted based on their fair value at the balance sheet date, and the difference between the fair value and the original carrying amount is recognised in profit or loss for the current period.

When an investment properties is transferred to owner-occupied property, it is reclassified to fixed asset or intangible asset with the carrying amount determined at the fair value of the investment properties at the date of the transfer, and the difference between the fair value and the original carrying amount of the investment properties is recognised in profit or loss for the current period. When an owner-occupied property is transferred out for earning rentals or for capital appreciation, the fixed asset or intangible asset is transferred to investment properties with the carrying amount determined at the fair value at the date of the transfer. If the fair value at the date of the transfer is less than the original carrying amount of the fixed asset or the intangible asset, the difference is recognised in profit or loss for the current period; otherwise, it is included in other comprehensive income.

An investment properties is derecognised on disposal or when the investment properties is permanently withdrawn from use and no future economic benefits are expected from its disposal. The net amount of proceeds from sale, transfer, retirement or damage of an investment properties net of its carrying amount and related taxes and expenses is recognised in profit or loss for the current period.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

14. Fixed assets

(1) Recognition

Fixed assets represent the tangible assets held by the Group for use in the production of goods or supply of services, for rental to others or for operation and administrative purposes with useful lives over one year.

The initial cost of a purchased fixed asset comprises the purchase price, related taxes, and any directly attributable expenditure for bringing the asset to working condition for its intended use. The cost of self-constructed assets is measured in accordance with the policy set out in Note II.15.

Where parts of an item of fixed asset have different useful lives or provide benefits to the Group in different patterns thus necessitating use of different depreciation rates or methods, each part is recognised as a separate fixed asset.

The subsequent costs including the cost of replacing part of an item of fixed assets are recognised in the carrying amount of the item if the to recognise fixed assets criteria are satisfied, and the carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of fixed assets are recognised in profit or loss as incurred.

Fixed assets are stated in the balance sheet at cost less accumulated depreciation and impairment losses.

(2) Depreciation

Fixed assets are depreciated using the straight-line method to allocate the cost of the assets to their estimated residual values over their estimated useful lives, unless the fixed asset is classified as held for sale (see Note II.28). For the fixed assets that have been provided for impairment loss, the related depreciation charge is prospectively determined based upon the adjusted carrying amounts over their remaining useful lives. The estimated useful lives, residual values and depreciation rates of each class of fixed assets are as follows:

Classes	Residual Period (years)	Depreciation value rate (%)	Depreciation rate (%)
Plants and buildings	10-30	10%	3-9%
Machinery and equipment	3-12	10%	7.5-30%
Office and other equipment	3-10	10%	9-30%
Motor vehicles	3-10	10%	18%
Dock, wharf	50	10%	1.8%
Offshore engineering equipment	15-30	10%	3-6%

Estimated useful lives, estimated residual value and depreciation methods are reviewed and adjusted at least at each year-end.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

14. Fixed assets (Continued)

(3) For the method of impairment testing and measuring, refer to Note II.20.

(4) Disposal

A fixed asset is derecognised when no future economic benefits are expected from its use or disposal. The amount of proceeds from disposal on sale, transfer, retirement or damage of a fixed asset net of its carrying amount and related taxes and expenses is recognised in profit or loss for the current period.

15. Construction in progress

Construction in progress is measured at actual cost. The cost of self-constructed assets includes the cost of materials, direct labour, capitalised borrowing costs (see Note II.16), and any other costs directly attributable to bringing the asset to working condition for its intended use.

A self-constructed asset is included in construction in progress before it is transferred to fixed asset when it is ready for its intended use. No depreciation is provided against construction in progress. Construction in progress is stated in the balance sheet at cost less impairment losses (see Note II.20).

16. Borrowing costs

Borrowing costs incurred directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the asset.

Except for the above, other borrowing costs are recognised as financial expenses in the income statement when incurred.

During the capitalisation period, the amount of interest (including amortisation of any discount or premium on borrowing) to be capitalised in each accounting period is determined as follows:

- Where funds are borrowed specifically for the acquisition, construction or production of a qualifying asset, the amount of interest to be capitalised is the interest expense calculated using effective interest rates during the period less any interest income earned from depositing the borrowed funds or any investment income on the temporary investment of those funds before being used on the asset.
- Where funds are borrowed generally and used for the acquisition, construction or production of a qualifying asset, the amount of interest to be capitalised on such borrowings is determined by applying a capitalisation rate to the weighted average of the excess amounts of cumulative expenditures on the asset over the above amounts of specific borrowings. The capitalisation rate is the weighted average of the interest rates applicable to the general-purpose borrowings.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

16. Borrowing costs (Continued)

The effective interest rate is determined as the rate that exactly discounts estimated future cash flow through the expected life of the borrowing or, when appropriate, a shorter period to the initially recognised amount of the borrowings.

During the capitalisation period, exchange differences related to the principal and interest on a specific-purpose borrowing denominated in foreign currency are capitalised as part of the cost of the qualifying asset. The exchange differences related to the principal and interest on foreign currency borrowings other than a specific-purpose borrowing are recognised as a financial expense in the period in which they are incurred.

The capitalisation period is the period from the date of commencement of capitalisation of borrowing costs to the date of cessation of capitalisation, excluding any period over which capitalisation is suspended. Capitalisation of borrowing costs commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities of acquisition, construction or production that are necessary to prepare the asset for its intended use or sale are in progress, and ceases when the assets become ready for their intended use or sale. Capitalisation of borrowing costs is suspended when the acquisition, construction or production activities are interrupted abnormally and the interruption lasts over three months.

17. Intangible assets

Intangible assets are stated in the balance sheet at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see Note II.20). For an intangible asset with finite useful life, its cost less residual value and impairment loss is amortised on the straight-line method or other more appropriate methods that can reflect the pattern in which the asset's economic benefits are expected to be realised over its estimated useful life, unless the intangible asset is classified as held for sale (see Note II.28).

The respective amortisation periods for such intangible assets are as follows

Item	Amortisation periods (years)
Land use rights	20-50
Maritime space use rights	40-50
Technological know-how and trademarks	3-15
Timber concession rights	20
Customer relationships	2-10
Customer contracts	1-4
Franchise rights	10-18

For an intangible asset with a finite useful life, review of its useful life and amortisation method is performed at each year-end, with adjustment made as appropriate.

An intangible asset is regarded as having an indefinite useful life and is not amortised when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group. At balance sheet date, an impairment test will be conducted.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

17. Intangible assets (Continued)

Expenditures on an internal research and development project are classified into expenditures on the research phase and expenditures on the development phase. Research is original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding. Development is the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products or processes before the start of commercial production or use.

The expenditure on an internal research and development project is classified into expenditure on the research phase and expenditure on the development phase based on its nature and whether there is material uncertainty that the research and development activities can form an intangible asset at end of the project.

Expenditure on the research phase, such as expenditure on planned research, assessment and selection for manufacturing technique, is recognised in profit or loss in the period in which it is incurred. Before mass production, expenditure on the development phase, such as expenditure on design and test for finalised application, is capitalised only if all of the following conditions are satisfied:

- it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- management intends to complete the intangible asset, and to use or sell it;
- it can be demonstrated how the intangible asset will generate economic benefits;
- there are adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and
- the expenditure attributable to the intangible asset during its development phase can be reliably measured.

Other development expenditures that do not meet the conditions above are recognised in profit or loss in the period in which they are incurred. Development expenditures previously recognised as expenses are not recognised as an asset in the subsequent period. Capitalised expenditure on the development phase is presented as development expenditures in the balance sheet and transferred to intangible assets at the date that the asset is ready for its intended use.

18. Goodwill

Goodwill represents the excess of cost of acquisition over the acquirer's interest in the fair value of the identifiable net assets of the acquiree under the business combination involving entities not under common control.

Goodwill is not amortised and is stated at cost less accumulated impairment losses (see Note II.20). On disposal of an asset group or combination of asset groups, any attributable amount of purchased goodwill is written off and included in the calculation of the profit or loss on disposal.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

19. Long-term prepaid expenses

Long-term prepaid expenses are amortised on a straight-line method within the beneficial period.

The amortisation periods for expensed are as follows:

Item	Amortisation period (years)
Rental	2-10
Others	3-10

20. Impairment of long-term assets

Fixed assets, construction in progress, intangible assets with finite useful lives and long-term equity investments in subsidiaries, joint ventures and associates are tested for impairment if there is any indication that the assets may be impaired at the balance sheet date. If the result of the impairment test indicates that the recoverable amount of an asset is less than its carrying amount, an impairment provision and an impairment loss are recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. Provision for asset impairment is determined and recognised on the individual asset basis. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of a group of assets to which the asset belongs is determined. A group of assets is the smallest group of assets that is able to generate independent cash inflows.

Goodwill that is separately presented in the financial statements is tested at least annually for impairment, irrespective of whether there is any indication that it may be impaired. In conducting the test, the carrying value of goodwill is allocated to the related asset groups or combination of asset groups which are expected to benefit from the synergies of the business combination. If the result of the test indicates that the recoverable amount of an asset group or combination of asset groups, including the allocated goodwill, is lower than its carrying amount, the corresponding impairment loss is recognised. The impairment loss is first deducted from the carrying amount of goodwill that is allocated to the asset group or combination of asset groups, and then deducted from the carrying amounts of other assets within the asset groups or combination of asset groups in proportion to the carrying amounts of assets other than goodwill.

Once an impairment loss is recognised, it is not reversed in the subsequent period.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

21. Provisions and contingent liabilities

Provisions for product warranties, onerous contracts etc. are recognised when the Group has a present obligation, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be measured reliably.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. Factors surrounding a contingency, such as the risks, uncertainties and the time value of money, are taken into account as a whole in reaching the best estimate of a provision. Where the effect of the time value of money is material, the best estimate is determined by discounting the related future cash outflows. The increase in the discounted amount of the provision arising from passage of time is recognised as interest expense.

The carrying amount of provisions is reviewed at each balance sheet date and adjusted to reflect the current best estimate.

The financial guarantee contract loss provisions recognised by the Group on the basis of expected credit losses is presented as contingent liabilities.

Provisions which is expected to be paid within one year from the balance sheet date are disclosed as current liabilities.

In terms of a possible obligation resulting from a past transaction or event, whose existence will only be confirmed by the occurrence or non-occurrence of uncertain future events or a present obligation resulting from a past transaction or event, where it is not probable that the settlement of the above obligation will cause an outflow of economic benefits, or the amount of the outflow cannot be estimated reliably, the possible or present obligation is disclosed as a contingent liability.

22. Share-based payments

(1) Classification

Share-based payment transactions in the Group are classified as equity-settled share-based payments and cash-settled share-based payments.

(2) Method to determine the fair value of equity instruments

Fair value of stock option is estimated based on binomial lattice model. Contract term of the stock option is used as the input variable of this model. And the binomial lattice model includes estimation of early execution of the option. The following factors are taken into account when using the binomial lattice model: (1) exercise price of the option; (2) vesting period; (3) current price of basic stocks; (4) expected fluctuation of stocks; (5) expected dividends of stocks; (6) risk-free rate within the option term.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

22. Share-based payments (Continued)

(3) Basis of the best estimate of the number of equity instruments expected to vest

At each balance sheet date during the vesting period, the Group makes the best estimation according to the latest information of the number of employees who are granted to vest and revises the number of equity instruments expected to vest. On vesting date, the estimate shall be equal to the number of equity instruments that ultimately vested.

(4) Accounting treatment for share-based payment

(a) *Equity-settled share-based payments*

Where the Group uses shares or other equity instruments as consideration for services received from the employees, the payment is measured at the fair value of the equity instruments granted to the employees at the grant date. If the equity instruments granted to employees vest immediately, the fair value of the equity instruments granted is, on grant date, recognised as relevant cost or expenses with a corresponding increase in capital reserve. If the equity instruments granted to employees do not vest until the completion of services for a vesting period, or until the achievement of a specified performance condition, the Group, at each balance sheet date during the vesting period, makes the best estimation according to the latest information of the number of employees who are granted to vest and revises the number of equity instruments expected to vest. Based on the best estimation, the Group recognises the services received for the current period as related costs or expenses, with a corresponding increase in capital reserve, at an amount equal to the fair value of the equity instruments at the grant date.

(b) *Cash-settled share-based payments*

Where the Group receives services from employees by incurring a liability to deliver cash or other assets for amounts that are determined based on the price of shares or other equity instruments, the service received from employees is measured at the fair value of the liability incurred. If the rights under a cash-settled share-based payment do not vest until the completion of services for a vesting period, or until the achievement of a specified performance condition, the Group, at each balance sheet date during the vesting period, recognises the services received for the current period as related costs or expenses, with a corresponding increase in liability, at an amount equal to the fair value of the liability based on the best estimate of the outcome of vesting.

23. Revenue recognition

Revenue is the gross inflow of economic benefit in the periods arising in the course of the Group's ordinary activities when the inflows result in increase in shareholders' equity, other than increase relating to contributions from shareholders.

Revenue is recognised when obligations in a contract are performed, that is, the control of the asset is transferred to the customer. Obtaining the control of related commodities means being able to dominate the use of the commodity and obtain almost all of its economic benefits.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

23. Revenue recognition (Continued)

It's transferring control of a good or service over time, if one of the following criteria is met. Otherwise, It's transferring control of a good or service at a point in time:

- (1) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- (2) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (3) the Group's performance does not create an asset with an alternative use to the Group, and the Group has an enforceable right to payment for performance completed to date.

For each performance obligation satisfied over time, the Group shall recognise revenue over time by measuring the progress towards complete satisfaction of that performance obligation.

When the performance progress cannot be reasonably determined, the revenue shall be recognised according to the amount of costs incurred if the expenses incurred by the Group could be expected to be compensated, until the performance progress can be reasonably determined.

Revenue recognised at a point in time is determined when the customer obtains control of the goods and services.

(1) Revenue from sales of goods

Revenue is recognised when the customer obtains the physical or the legal title of the completed goods and the Group has present right to payment and the collection of the consideration is probable.

(a) Containers sales revenue

The Group manufactures and sells containers, and recognises the revenue after obtaining customers' acceptance receipts.

(b) Road transportation vehicles and heavy trucks sales revenue

Road transport vehicles and heavy trucks are classified into domestic sales and overseas sales. Domestic sales recognise the revenue after the customer accepts the goods, while overseas sales recognise the revenue after loading the goods on the ship designated by the buyer at the port of shipment specified in the selling contract.

(c) Airport facilities sales revenue

Airport equipment (except logistics system business) recognises revenue when obtaining buyer's acceptance receipts.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

23. Revenue recognition (Continued)

(1) Revenue from sales of goods (Continued)

(d) Real estate sales revenue

Real estate sales revenue is recognised when the sale and purchase agreement is executed. When the property is sold in advance of completion, the relevant revenue will be recognised only after the development is completed and the property is delivered to the buyer.

The Group recognises receivables at the time of delivery of the goods. At this time, the Group's right to receive the consideration is unconditional and the Group only needs to wait for payment from customers. The credit period granted by the Group to customers is usually between 30 and 90 days, which is consistent with industry practice without significant financing component.

The Group provides product quality assurance for the sale of products and recognises corresponding provisions (Note IV.38). The Group does not provide any additional services or additional quality assurance, so the product quality assurance does not constitute a separate performance obligation.

(2) Revenue from project engineering contracts

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of reporting period as a percentage of total estimated costs for each contract.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

23. Revenue recognition (Continued)

(3) Revenue from rendering of services

The Group provides external installation and freight forwarding services, and recognises revenues over a period of time based on the progress of completed labor services. The progress of completed labor services is determined by the proportion of incurred costs to estimated total costs. At the balance sheet date, the Group re-estimated the progress of completed services so that it can reflect changes in performance of the contract.

Freight forwarding: the revenue is recognised on the departure date (export) or arrival date (import) of the shipping; while land freight forwarding recognises the revenue when the goods arrive at the designated place, and as for shipping agent, revenue is recognised on the ship departure date.

When the Group recognises the income according to the progress of the completed services, the Group recognises the part that has obtained the unconditional right to collect consideration as accounts receivables, and the rest as contract assets, and impairment based on expected credit losses is recognised for subsequent measurement as well (Note II.9). If the contract price received or receivable by the Group exceeds the consideration of completed service, the excess is recognised as a contract liability. The Group's contract assets and contract liabilities under the same contract are presented on a net basis.

Contract costs include incremental costs of obtaining a contract and costs to fulfil a contract. Costs incurred by the Group for the provision of transportation services are recognised as costs to fulfil a contract, and when revenue is recognised, the cost of the main business is transferred to cost of sales based on the progress of the completed services. Cost incurred by the Group for the acquisition of the contract is recognised as incremental costs of obtaining a contract. For costs of obtaining a contract with amortisation period of less than one year, it would be recognised in current profit or loss when it occurs; for costs of obtaining a contract with amortisation period of more than one year, it would be amortised in profit or loss on the basis of revenue recognition of the related contract. If the book value of contract cost is higher than the remaining consideration expected to be obtained by the provision of the service minus the estimated cost to be incurred, the Group makes impairment provisions on the excess and recognises it as asset impairment losses. On the balance sheet date, the Group presents costs to fulfil a contract with its book value less the relevant impairment losses as inventory or other non-current assets depending on if the amortisation period at the time of initial recognition is more than one year. For costs to fulfil a contract with a amortisation period at the time of initial recognition of more than one year, it is presented as inventory, while costs that with amortisation period of more than one year is presented as other non-current assets.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

24. Employee benefits

Employee benefits represent all kinds of allowances and compensations paid by the Group for services rendered by employees or for termination of employment relationship, which mainly include short-term wages, pension benefits and termination of employment benefits.

(1) Short-term wages

Short-term wages include wages or salaries, bonuses, allowances and subsidies, staff welfare, medical insurance, work injury insurance, maternity insurance, housing funds, labour union funds, employee education funds and short term paid absence and etc. Actual short-term wages are recognised as liabilities in the periods when the employees render services and are charged into profit or loss or capitalised in costs of related assets. The non-monetary welfare is measured at fair value.

(2) Pension benefits

During the Reporting Period, the Group's pension benefits are basic pension insurance and unemployment insurance which are all defined contribution plans.

Basic pension insurance

The Group's employees participated in the basic social pension insurance organised and implemented by local labour and social security bureau. The Group paid the basic pension issuance expenses monthly to designated insurance companies for its employees according to the basis amounts and rates determined by the local regulations. After retirement, local labour and social security bureau is responsible for paying the pension benefit to the retired employees. The amounts of pension insurance payable calculated according to the above regulations are recognised as liabilities during the periods when the employees render services and are charged to profit or loss or capitalised in costs of related assets.

(3) Enterprise annuities plan

The Group provides compensation for the termination of employment relationship before the expiry of employment contracts or compensation to encourage employees' voluntary layoffs, which is recognised as a liability and charged to profit or loss on the earlier one when the Group is unable to unilaterally withdraw the plan on the termination of employment relationship or the layoff proposal and costs and expenses in relation to the payment of compensation to the termination of employment relationship are recognised.

The Enterprise annuities plan with payment within one year at the balance sheet date are classified as current liabilities.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

25. Government grants

Government grants are transfers of monetary assets or non-monetary assets from the government to the Group at nil consideration including refund of taxes and financial subsidies, etc.

A government grant is recognised when the conditions attached to it can be complied with and the government grant can be received. If a government grant in the form of transfer of monetary assets, the grant is measured at the amount received or receivable. For a government grant in the form of transfer of non-monetary assets, it is measured at fair value; if the fair value is not reliably determinable; the grant is measured at nominal amount.

Government grants related to assets represent grants obtained from government which are to compensate long-term assets purchased or other ways. Government grants related to income represent those government grants other than related to assets.

A government grant related to an asset is recognised as deferred income, and evenly amortised to profit or loss over the useful life of the related asset by the reasonable and systematic method.

For government grants related to income, where the grant is a compensation for related costs or losses to be incurred by the Group in the subsequent periods, the grant is recognised as deferred income, and will cause the offsetting of related costs; where the grant is a compensation for related expenses or losses already incurred, the grant is recognised immediately as offsetting the related costs.

The group uses the same method to disclosure government grants in same category.

Government grants related to daily activities are included in operating profits. Government grants that are not related to daily activities are included in non-operating income and expenditure.

For the policy-based preferential interest rate loans received by the Group, the entry value of the borrowings shall be the borrowing amount actually received, and the relevant borrowing costs shall be calculated based on the principal of the borrowings and the policy preferential interest rate. The financial interest subsidy directly received by the Group reduces the relevant borrowing costs.

26. Deferred tax assets and deferred tax liabilities

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases, which include the deductible losses and tax credits carry forward to subsequent periods. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is not recognised for the temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit (or tax loss). No deferred tax liability is recognised for a temporary difference arising from the initial recognition of goodwill.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

26. Deferred tax assets and deferred tax liabilities (Continued)

At the balance sheet date, the amount of deferred tax recognised is measured based on the expected manner of recovery or settlement of the carrying amount of the assets and liabilities, using tax rates that are expected to be applied in the period when the asset is recovered or the liability is settled in accordance with tax laws.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date. The carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefit of the deferred tax asset to be utilised. Such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Deferred tax liabilities are recognised for temporary differences arising from investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future. When it is probable that the temporary differences arising from investments in subsidiaries, associates and joint ventures will be reversed in the foreseeable future and that the taxable profit will be available in the future against which the temporary differences can be utilised, the corresponding deferred tax assets are recognised.

At the balance sheet date, deferred tax assets and liabilities are offset if all the following conditions are met:

- the taxable entity has a legally enforceable right to set off current tax assets against current tax liabilities;
- the deferred income tax assets and deferred income tax liabilities are related to the income tax imposed by the same tax collection and management department on the same tax subject or are related to the income tax collected by different taxpayers, but the subject is intended to be involved in the period of the return of every important deferred income tax assets and liabilities in the future. Net income, assets and liabilities, or assets at the same time.

27. Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as lessee

At the commencement date, a lessee shall recognise a right-of-use asset and measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments include fixed payments the exercise price of a purchase option and payments for terminating the lease. Variable lease payments depending on certain percentage of sales are not included in the lease payment but recognized in profit or loss. Lease liability due within one year (including one year) is presented as current portion of non-current liabilities.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

27. Leases (Continued)

The Group as lessee (Continued)

Right-of-use assets include Plants and buildings, Machinery and equipment, Office& other equipment, Motor Vehicles, Offshore engineering equipment and land use right. Right-of-use asset is measured at cost. The cost of the right-of-use asset shall comprise the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs incurred by the lessee. If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term, the the group shall depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the group shall depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.If the recoverable amount of an right-of-use asset is less than its carrying amount, an impairment provision and an impairment loss shall be recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Where the remaining lease term is less than one year, or operating leases contracts for low-value assets,the Group adopt a simplified approach and do not recognize the right-of-use assets and lease liabilities, the lessee shall recognise the lease payments associated with those leases as an expense or cost of or elated assets on a straight-line basis over the lease term.

The Group as lessor

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

Operating Lease

The Group shall recognise lease payments from operating leases of Plants and buildings, Machinery and equipment, Motor Vehicles, as income on a straight-line basis.Variable lease payments depending on certain percentage of sales are recognized as income.

Finance Lease

At the commencement date, a lessor shall recognise assets held under a finance lease in its statement of financial position and present them as a receivable and derecognize related assets. The group present the financé lease receivables as long-term receivables. Long-term receivables due within one year (including one year) is presented as current portion of non-current assets.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

28. Held for sale and discontinued operations

A non-current asset or a disposal group is classified as held for sale when all of the following conditions are satisfied: (1) The non-current asset or the disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such non-current asset or disposal group; (2) The Group has entered a legally enforceable sales agreement with other party and obtained relevant approval, and the sales transaction is expected to be completed within one year.

Non-current assets (except for financial assets, investment properties measured at fair value and deferred tax assets) that meet the recognition criteria for held for sale are recognised at the amount equal to the lower of the fair value less costs to sell and the carrying amount. Any excess of the original carrying amount over the fair value less costs to sell is recognised as asset impairment losses.

Such non-current assets and assets and liabilities included in disposal groups classified as held for sale are classified as current assets and current liabilities respectively, and are separately presented in the balance sheet.

A discontinued operation is a component of the Group that either has been disposed of or is classified as held for sale, and is separately identifiable and satisfies one of the following conditions: (1) It represents a separate major line of business or geographical area of operations; (2) It is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; (3) It is a subsidiary acquired exclusively with a view to resale.

The net profit from discontinued operations in the income statement includes operating profit or loss and disposal gains or losses of discontinued operations.

29. Dividend distribution

Cash dividend is recognised as a liability for the period in which the dividend is approved by the shareholders' meeting.

Dividends or distributions of profits proposed in the profit appropriation plan which will be authorised and declared after the balance sheet date, are not recognised as a liability at the balance sheet date but disclosed in the notes separately.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

30. Related parties

If a party has the power to control, jointly control or exercise significant influence over another party, or vice versa, or where two or more parties are subject to common control or joint control from another party, they are considered to be related parties. Related parties may be individuals or enterprises. Enterprises with which the Company is under common control only from the State and that have no other related party relationships are not regarded as related parties of the Group. Related parties of the Group and the Company include, but are not limited to:

- (a) the Company's parent;
- (b) the Company's subsidiaries;
- (c) enterprises that are controlled by the Company's parent;
- (d) investors that have joint control or exercise significant influence over the Group;
- (e) enterprises or individuals if a party has control, joint control over both the enterprises or individuals and the Group;
- (f) joint ventures of the Group, including subsidiaries of joint ventures;
- (g) associates of the Group, including subsidiaries of associates;
- (h) principal individual investors and close family members of such individuals;
- (i) key management personnel of the Group and close family members of such individuals;
- (j) key management personnel of the Company's parent and close family members of such individuals; and
- (k) close family members of key management personnel of the Company's parent; and
- (l) other enterprises that are controlled or jointly controlled by principal individual investors, key management personnel of the Group, or close family members of such individuals.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

30. Related parties (Continued)

Besides the related parties stated above determined in accordance with the requirements of CAS, the following enterprises and individuals are considered as (but not restricted to) related parties based on the disclosure requirements of Administrative Procedures on the Information Disclosures of Listed Companies issued by the CSRC:

- (m) enterprises or persons that act in concert that hold more than 5% (inclusive) of the Company's shares;
- (n) individuals and close family members of such individuals who directly or indirectly hold more than 5% (inclusive) of the Company's shares, supervisors for listed companies and their close family members;
- (o) enterprises that satisfy any of the aforesaid conditions in (a), (c) and (m) during the past 12 months or will satisfy them within the next 12 months pursuant to a relevant agreement;
- (p) individuals who satisfy any of the aforesaid conditions in (i), (j) and (n) during the past 12 months or will satisfy them within the next 12 months pursuant to a relevant agreement; and
- (q) enterprises, other than the Company and subsidiaries controlled by the Company, which are controlled directly or indirectly by an individual defined in (i), (j), (n) or (p), or in which such an individual assumes the position of a director or senior executive.

31. Segment reporting

Reportable segments are identified based on operating segments which are determined based on the structure of the Group's internal organisation, management requirements and internal reporting system. An operating segment is a component of the Group that meets the following conditions:

- It engages in business activities from which it may earn revenues and incur expenses;
- Its financial performance are regularly reviewed by the Group's management to make decisions about resource to be allocated to the segment and assess its performance;
- The Group is able to obtain its financial information regarding financial position, financial performance and cash flows, etc.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

31. Segment reporting (Continued)

Two or more operating segments may be aggregated into a single operating segment if the segments have same or similar economic characteristics, and are similar in respect of the following aspects:

- the nature of each product and service;
- the nature of production processes;
- the type or class of customers for the products and services;
- the methods used to distribute the products or provide the services;
- the legal and regulatory impact on manufacturing of products and rendering of services.

Inter-segment revenues are measured on the basis of actual transaction price for such transactions for segment reporting, and segment accounting policies are consistent with those for the consolidated financial statements.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

32. Significant changes in accounting policies

The Ministry of Finance promulgated the revised Accounting Standards for Business Enterprises No. 21 – Leases (the “New Leasing Standards”) in 2018 and the Circular on Amendment to Formats of 2019 Financial Statements of General Industry (Cai kuai [2019] No. 6) in 2019. The financial statements for the six month period ended 30 June 2019 are prepared in accordance with the above standards and circular, and the impacts are as follows:

(1) Modification of formats of the financial statements of general enterprise

The impact on the consolidated and company balance sheets is as follows :

The nature and the reasons of the changes in accounting policies	The line items affected	The amounts affected	
		The Group 31 December 2018	The company 31 December 2018
The Group and the Company divide notes and accounts receivables into accounts receivables and notes receivables.	Accounts receivables	17,895,919	–
	Notes receivables	1,423,547	–
	Notes and accounts receivables	(19,319,466)	–
The Group and the Company divide notes and accounts payables into accounts payables and notes payables.	Accounts payables	13,210,828	–
	Notes payables	1,889,785	–
	Notes and accounts payables	(15,100,613)	–
The Group and the Company reclassify notes receivables at fair value through other comprehensive income from other current assets to receivables financing.	Receivables financing	179,412	–
	Other current assets	(179,412)	–

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

32. Significant changes in accounting policies (Continued)

(2) Leases

According to the relevant provisions of the New Leasing Standards, the Group and the Company adjusted the opening retained earnings in early 2019 and the related line items in the financial statements for the first time in implementation of the standards. The 2018 comparative financial statements were not restated.

The nature and the reasons of the changes in accounting policies	The line items affected	The amounts affected	
		The Group 1 January 2019	The Company 1 January 2019
For operating leases contracts that existed prior to the initial implementation of the New Leasing Standards, the Group and the Company distinguish different transitional methods according to the remaining lease term:	Right-of-use assets	266,873	–
Where the remaining lease term is more than one year, the Group and the Company recognize the lease liabilities based on the remaining lease payments and the incremental borrowing rate as at 1 January 2019, and determine the book value of right-of-use assets based on the amount equal to lease liabilities upon necessary adjustment based on prepaid rent.	Lease liabilities	193,415	–
Where the remaining lease term is less than one year, the Group and the Company adopt a simplified approach and do not recognize the right-of-use assets and lease liabilities, which has no significant impact on the financial statements.	Current portion of non-current liabilities	70,716	–
For operating leases contracts for low-value assets that existed prior to the initial implementation of the New Leasing Standards, the Group and the Company adopt a simplified approach and did not recognize the right-of-use assets and lease liabilities, which has no significant impact on the financial statements.	Advances to suppliers Right-of-use assets	(2,742) 475,782	– –
As a result of the New Leasing Standards, the Group and the Company reclassify the fixed assets held under finance lease originally included in the fixed assets to the right-of-use assets and the finance lease payables originally included in long-term payables to the lease liabilities.	Fixed assets Long-term payables Current portion of non-current liabilities – long-term payables Lease liabilities Current portion of non-current liabilities – lease liabilities	(475,782) (40,275) (74,799) 40,275 74,799	– – – – –

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

32. Significant changes in accounting policies (Continued)

(2) Leases (Continued)

- (a) As at 1 January 2019, the reconciliation statement of the adjustment of the outstanding minimum operating lease payments of the Group and the Company disclosed under the Original Leasing Standards to the lease liabilities recognized under the New Leasing Standards is as follow:

	The Group	The Company
Minimum operating lease payments disclosed as at 31 December 2018	467,145	–
Present value of the above minimum operating lease payments discounted at the incremental borrowing rate	416,235	–
– Add: finance lease payables as at 31 December 2018	115,074	–
Others		
Less: present value of the lease contract payments for less than 12 months and present value of lease contract payments for a single lower-valued brand-new lease asset	152,104	–
Lease liabilities recognised as at 1 January 2019 (including the current portion of non-current liabilities)	379,205	–

Note 1: As at 31 December 2018, the Group and the Company disclosed the outstanding minimum operating lease payments which excluded the factor of option of renewal. In determining the lease liabilities upon the initial implementation, the Group and the Company included the lease payments for the renewal period in the calculation of the lease liabilities for the lease for which the option of renewal is reasonably determined

33. Critical accounting estimates and judgements

The preparation of financial statements requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Notes IV.24, IX and XIV contain information about the assumptions and their risk factors relating to impairment of goodwill, share-based payments and fair value of financial instruments. Other key sources of estimation uncertainty are as follows:

(1) Measurement of expected credit losses

The Group calculates expected credit losses through default risk exposure and expected credit loss rate, and determines the expected credit loss rate based on default probability and default loss rate. In determining the expected credit loss rate, the Group uses data such as internal historical credit losses experience and adjusts historical data based on current conditions and forward-looking information. When considering forward-looking information, the indicators used by the Group include the risk of economic downturn, increase of expected unemployment rate, external market environment, technological environment and changes in customer conditions etc. The Group regularly monitors and reviews assumptions related to the calculation of expected credit losses. The above estimation techniques and key assumptions have not significantly changed in 2018.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Critical accounting estimates and judgements (Continued)

(2) Impairment of long-term assets

As described in Note II.20, long-term assets (including goodwill, fixed assets and vessels under construction in construction in progress) are reviewed at each balance sheet date to determine whether the recoverable amount of the assets is lower than carrying amount. If any indication shows that the carrying amount of the assets may not be fully recovered, the assets are deemed to have been impaired and an impairment loss is recognised.

The recoverable amount of an asset (or asset group) is the greater of its fair value less costs to sell and its present value of expected future cash flows. In assessing present value of expected future cash flows, significant judgements are exercised over the asset's production, selling price, gross profit margin, related operating expenses and discounting rate to calculate the present value. All relevant materials which can be obtained are used for estimation of the recoverable amount, including the estimation of the production, selling price and related operating expenses based on reasonable and supportable assumption.

If the management revised the gross profit margin used in the future cash flow calculation of the asset (asset group) and the revised gross profit margin is lower than the gross profit margin currently used, the Group is required to make impairment provisions of long-term assets.

If the management revised the discount rate before tax applied to the cash flow discount and the revised discount rate before tax is higher than the discount rate currently used, the Group is required to make impairment provisions of long-term assets.

If the actual gross margin or discount rate before tax is higher or lower than the management's estimate, the Group cannot reverse previously recognised impairment provisions of long-term asset.

(3) Provision for impairment of inventories

As described in Note II.11, the net realisable value of inventories is under the Group's regular review, and as a result, provision for impairment of inventories is recognised for the excess of inventories' carrying amounts over their net realisable value. When making estimates of net realisable value, the Group takes into consideration the use of inventories held on hand and other information available to form the underlying assumptions, including the inventories' market prices and the Group's historical operating costs. The actual selling price, the costs of completion and the costs necessary to make the sale and relevant taxes may vary based on the changes in market conditions and product saleability, manufacturing technology and the actual use of the inventories, resulting in the changes in provision for impairment of inventories. The net profit or loss may then be affected in the period when the provision for impairment of inventories is adjusted.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Critical accounting estimates and judgements (Continued)

(4) Depreciation and amortisation of assets such as fixed assets and intangible assets

As described in Note II.14 and 17, fixed assets and intangible assets are depreciated and amortised over their useful lives after taking into account residual value. The useful lives of the assets are regularly reviewed to determine the depreciation and amortisation costs charged in each reporting period. The useful lives of the assets are determined based on historical experiences of similar assets and the estimated technical changes. If there have been significant changes in the factors used to determine the depreciation or amortisation, the rate of depreciation or amortisation is revised prospectively.

(5) Warranty provisions

As described in Note IV.38, the Group makes provisions under the warranties it gives on the sale of its products based mainly on the Group's recent claim experience. Because it is possible that the recent claim experience may not be indicative of future claims that the Group will receive in respect of past sales, a considerable level of management's judgement is required and exercised to estimate the provision. Any increase or decrease in the provision will affect profit or loss in future years.

(6) Project engineering contract

As described in Note II.23, contract revenue and contract profit are recognised based on the stage of completion of a contract which is determined with reference to the proportion of the physical construction work completed to the total estimated construction work. Where a contract is completed substantially and its contract revenue and contract expenses to completion can be reliably measured, the Group estimates contract revenue and contract expenses with reference to its recent construction experience and the nature of the construction contracts. For a contract that is not completed substantially, contract revenue that should be recognised based on its stage of completion, is not recognised and disclosed in the financial statements. Therefore, at the balance sheet date, actual total contract revenue and total contract cost may be higher or lower than the estimated total contract revenue and total contract cost and any change of estimated total contract revenue and total contract cost may have financial impact on future profit or loss.

(7) Income taxes

The Group is subject to income taxes in numerous jurisdictions. There are some transactions and events for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgment is required from the Group in determining the provision for income taxes in each of these jurisdictions. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Determining income tax provisions involves judgement on the future tax treatment of certain transactions. The Group carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislations. Deferred tax assets are recognised for tax losses not yet used and temporary deductible differences. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised, management's judgment is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered.

(8) Estimation of fair value of investment properties

The Group recognised the fair value of the investment properties based on the valuation assessed by the independent professional valuer or the valuation assessed by the management. To assess the fair value of investment properties, as stated in Note XIV, 6, several significant judgments and assumptions are used.

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III. TAXATION

1. Main taxes categories and rates

Types of tax	Tax basis	Tax rate
Value added tax (VAT) (a)	The output VAT calculated based on taxable income from sales of goods and rendering of service, after subtracting the deductible input VAT of the period, is VAT payable	6%, 9% and 13%
Urban maintenance and construction tax	VAT payable	7%
Income tax	Taxable income	Note 1
The Netherlands/Australia service tax rate	Calculated based on revenue arising from sales of goods and rendering of service, less deductible or refundable taxes for purchase of goods	10-19%

- (a) Pursuant to "Circular on adjusting the Value-Added Tax" issued by the Ministry of Finance and the State Administration of Taxation (Cai Shui [2019] No. 39), the subsidiaries of the Group which operate in VAT taxable sales or related business of imported goods and financial leasing business has adjusted the original VAT rate from 16% to 13% from 1 April 2019; the business of leasing and sales of real estate was originally applied 10 % tax rate is adjusted to 9%; The VAT rates of modern service industries (including logistics service and logistics support service), container yard services and financial services are still applicable to 6%, which is not within the scope of this adjustment.

Note 1: The income tax rates applicable to the Group and the major subsidiaries for the year are as follows:

	2019	2018
The Company	25%	25%
Subsidiaries registered in China	15-25%	15-25%
Subsidiaries registered in Hong Kong	16.5-25%	16.5-25%
Subsidiaries registered in British Virgin Islands	-	-
Subsidiaries registered in US	15-25%	15-36.65%
Subsidiaries registered in Germany	15.83-31.6%	15.83-31.6%
Subsidiaries registered in Britain	19%	19%
Subsidiaries registered in Australia	30%	30%
Subsidiaries registered in the Netherlands	25%	25%
Subsidiaries registered in Belgium	29%	34%
Subsidiaries registered in Denmark	22%	22%
Subsidiaries registered in Poland	19%	19%
Subsidiaries registered in Thailand	20%	20%
Subsidiaries registered in Singapore	17%	17%
Subsidiaries registered in Sweden	21.4%	22%
Subsidiaries registered in Cayman Islands	-	-
Subsidiaries registered in Malaysia	24%	24%
Subsidiaries registered in Luxembourg	27.08%	27.08%

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III. TAXATION (CONTINUED)

2. Preferential tax treatments

The Group's subsidiaries that are entitled to preferential tax treatments are as follows:

	Name of enterprises	Local statutory tax rate	Preferential rate	Reasons
1	Nantong CIMC Special Transportation Equipment Manufacture Co., Ltd.	25%	15%	Continue to be recognised as high-tech enterprises in 2018 entitled to 15% preferential rate
2	Xinhui CIMC Special Transportation Equipment Co., Ltd.	25%	15%	Continue to be recognised as high-tech enterprises in 2016 entitled to 15% preferential rate
3	Yangzhou Runyang Logistic Equipment Co., Ltd.	25%	15%	Continue to be recognised as high-tech enterprises in 2017 entitled to 15% preferential rate
4	Yangzhou Tonglee Reefer Container Co., Ltd.	25%	15%	Continue to be recognised as high-tech enterprises in 2018 entitled to 15% preferential rate
5	Shenzhen CIMC Special Vehicle Co., Ltd.	25%	15%	Continue to be recognised as high-tech enterprises in 2017 entitled to 15% preferential rate
6	Zhumadian CIMC Huajun Vehicle Trading Co., Ltd.	25%	15%	Continue to be recognised as high-tech enterprises in 2018 entitled to 15% preferential rate
7	Wuhu CIMC Ruijiang Automobile Co., Ltd.	25%	15%	Continue to be recognised as high-tech enterprises in 2017 entitled to 15% preferential rate
8	Luoyang CIMC Lingyu Automobile Co., Ltd.	25%	15%	Continue to be recognised as high-tech enterprises in 2016 entitled to 15% preferential rate
9	Zhangjiagang CIMC Sanctum Cryogenic Equipment Machinery Co., Ltd.	25%	15%	Continue to be recognised as high-tech enterprises in 2017 entitled to 15% preferential rate
10	Enric (Bengbu) Compressor Co., Ltd.	25%	15%	Continue to be recognised as high-tech enterprises in 2017 entitled to 15% preferential rate
11	Shijiazhuang Enric Gas Equipment Co., Ltd.	25%	15%	Continue to be recognised as high-tech enterprises in 2017 entitled to 15% preferential rate
12	Enric (Langfang) Energy Equipment Integration Co., Ltd.	25%	15%	Continue to be recognised as high-tech enterprises in 2018 entitled to 15% preferential rate
13	Jingmen Hongtu Special Aircraft Manufacturing Co., Ltd.	25%	15%	Continue to be recognised as high-tech enterprises in 2018 entitled to 15% preferential rate
14	Jingmen Hongtu Special Aircraft Manufacturing Co., Ltd.	25%	15%	Continue to be recognised as high-tech enterprises in 2018 entitled to 15% preferential rate

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III. TAXATION (CONTINUED)

2. Preferential tax treatments (Continued)

	Name of enterprises	Local statutory tax rate	Preferential rate	Reasons
15	Liaoning CIMC Hashenleng Gas Liquefaction Plant Co., Ltd.	25%	15%	Continue to be recognised as high-tech enterprises in 2018 entitled to 15% preferential rate
16	Nantong CIMC Energy Equipment Co, Ltd.	25%	15%	Continue to be recognised as high-tech enterprises in 2017 entitled to 15% preferential rate
17	Enric (Nantong) CIMC Food Equipment Co., Ltd.	25%	15%	Continue to be recognised as high-tech enterprises in 2016 entitled to 15% preferential rate
18	Shenzhen CIMC – TianDa Airport Support Co., Ltd.	25%	15%	Continue to be recognised as high-tech enterprises in 2017 entitled to 15% preferential rate
19	Xinfa Airport Equipment Ltd.	25%	15%	Continue to be recognised as high-tech enterprises in 2018 entitled to 15% preferential rate
20	Shenzhen CIMC TianDa Logistics Systems Engineering Co., Ltd.	25%	15%	Continue to be recognised as high-tech enterprises in 2016 entitled to 15% preferential rate
21	Shenzhen CIMC Intelligent Technology Co., Ltd.	25%	15%	Continue to be recognised as high-tech enterprises in 2017 entitled to 15% preferential rate
22	CIMC Taicang refrigeration equipment logistics Co., Ltd.	25%	15%	Recognised as high-tech enterprises in 2016 entitled to 15% preferential rate
23	Taicang CIMC Special Logistics Equipment Co., Ltd.	25%	15%	Recognised as high-tech enterprises in 2018 entitled to 15% preferential rate
24	Gansu CIMC Huajun Vehicle Co., Ltd.	25%	15%	Continue to be recognised as high-tech enterprises in 2018 entitled to 15% preferential rate
25	Jiangmen CIMC Vehicles Co., Ltd.	25%	15%	Recognised as high-tech enterprises in 2016 entitled to 15% preferential rate

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Please refer to VI.1 and IV.16 for the definition of subsidiaries, associates and joint ventures.

1. Cash at bank and on hand

	30 June 2019	31 December 2018
Cash on hand	8,163	7,935
Bank deposits	5,519,010	8,990,737
Other cash balances	1,052,735	730,480
Total	6,579,908	9,729,152
Including: cash abroad	1,639,463	2,514,236

On 30 June 2019, restricted cash at bank and on hand of the Group amounted to RMB1,263,004,000 (31 December 2018: RMB1,197,813,000), refer to Note IV.29 for details.

On 30 June 2019, restricted cash at bank and on hand of the Group mentioned above included deposits of Finance Company of the Company in the People's Bank of China, amounting to RMB350,770,000 (31 December 2018: RMB421,952,000). Finance Company is a finance institution authorised by the People's Bank of China.

2. Financial assets held for trading and financial liabilities held for trading

(1) Financial assets held for trading

	30 June 2019	31 December 2018
Investments in equity instruments held for trading:		
– Listed Company	202,283	193,676
Contingent consideration (i)	4,830	–
	207,113	193,676

The fair value of investments in equity instruments held for trading is determined based on the closing price of the last trading day of the Hong Kong Stock Exchange.

- (i) On 31 July 2018 and 19 October 2018, CIMC TianDa, a subsidiary of the Group, entered into the equity acquisition agreements with third parties to acquire 60% of the equity interest in Shenyang Jietong and the 100% of the equity interest in Shanghai Jindun, respectively. The transactions mentioned above were completed in June 2019 and April 2019, respectively.

Based on the terms of the agreement, in the event of the specific circumstances and events of the agreement, such as failing to complete the performance objectives, the former shareholders of Shenyang Jietong and Shanghai Jindun shall be liable to make up the difference. The group recognize financial assets held for trading according to fair value of the right to receive such compensation.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Financial assets held for trading and financial liabilities held for trading (Continued)

(2) Financial liabilities held for trading

	30 June 2019	31 December 2018
Contingent consideration	48,000	–

During the Reporting Period, CIMC Enric Investment Holdings (Shenzhen) Ltd. (中集安瑞科投資控股(深圳)有限公司), a subsidiary of the Group, and Ningxia Yuanshan New Energy Group Co., Ltd. (寧夏遠杉新能源集團有限公司) entered into an equity acquisition agreement to acquire 65.09% of the equity interests of Ningxia Changming Natural Gas Development Co., Ltd. (寧夏長明天然氣開發有限公司). Upon completion of the transaction, Ningxia Changming Natural Gas Development Co., Ltd. was changed from an associate of the Group to a subsidiary of the Group.

Based on the terms of the agreement, if Ningxia Changming Natural Gas Development Co., Ltd. acquires specified natural gas drilling rights, the Group need to pay extra consideration to the former shareholders of Ningxia Changming Natural Gas Development Co., Ltd. The group recognize financial liabilities held for trading according to fair value of the potential obligation.

3. Derivative financial assets and liabilities

	Note	30 June 2019	31 December 2018
Derivative financial assets –			
Forward foreign exchange contracts	(1)	41,265	27,480
Foreign exchange option contracts	(2)	5,332	21,180
Interest rate swap	(3)	20,756	193
Currency swap	(4)	1,814	35
Hedging Instrument		–	167
		69,167	49,055
Derivative financial liabilities –			
Forward foreign exchange contracts	(1)	71,900	22,520
Foreign exchange option contracts	(2)	22,151	18,672
Currency swap	(4)	801	229
Commitment to minority shareholders	(5)	248,034	301,305
		342,886	342,726

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Derivative financial assets and liabilities (Continued)

(1) Forward foreign exchange contracts

On 30 June 2019, the Group had certain unsettled forward contracts, mainly denominated in USD, JPY, GBP, EUR, HKD and Australian dollar (AUD). The nominal value of these contracts amounted to USD1,055,173,000, JPY992,710,000, GBP5,000,000, EUR206,547,000, HKD73,000,000 and AUD25,400,000, respectively. Pursuant to these forward contracts, the Group are required to buy/sell foreign currencies, such as USD, JPY, GBP, EUR, HKD and AUD of contracted nominal value at agreed rates in exchange of RMB at the contract settlement dates. These forwards contracts will be settled on a net basis by comparing the market rates at the settlement dates and the agreed rates. The settlement dates of the aforesaid forwards contracts range from 5 July 2019 to 26 June 2020.

(2) Foreign exchange option contracts

On 30 June 2019, the Group had certain unsettled forward contracts, mainly denominated in USD, GBP, JPY and EUR. The nominal value of these contracts amounted to USD278,497,000, GBP500,000, JPY20,000,000 and EUR 2,900,000. Pursuant to these future contracts, the Group are required to buy/sell USD, GBP, JPY and EUR of contracted nominal value at agreed rates in exchange of RMB at the contract settlement dates. These future contracts will be settled on a net basis by comparing the market rates at the settlement dates and the agreed rates. The settlement dates of the aforesaid forwards contracts range from 3 July 2019 to 13 March 2020.

(3) Interest rate swap

On 30 June 2019, the Group had 16 unsettled interest swap contracts denominated in USD, with a nominal value amounted to USD2,012,375,000 and a fair value of RMB84,209,000. The settlement dates of the aforesaid interest swap contracts ranges from 14 July 2019 to 28 June 2021.

(4) Currency swap

On 30 June 2019, the Group had 4 unsettled currency swap denominated in Great Britain Pound, with nominal value amounted to GBP37,000,000 and a fair value of RMB1,013,000. The settlement dates of the aforesaid currency swap range from 14 August 2019 to 6 December 2019.

(5) Commitment to minority shareholders

As at 7 December 2016, Advanced Manufacturing Industry Investment Fund (Limited Partnership) ("Advanced Manufacturing Industry Investment Fund") signed a capital increase agreement with our group subsidiary CIMC HK and CIMC Offshore, injecting RMB984,258,000 to CIMC Offshore to obtain 15% equity of CIMC Offshore. The capital injection was completed in December 2017. Our group's shareholding percentage of CIMC Offshore dropped from 100% to 85%. Based on the terms of the agreement, the Advanced Manufacturing Industry Investment Fund has the right to withdraw by transferring the equity of CIMC Offshore to a third party in the event of the specific circumstances and events of the agreement. If the equity transfer amount is lower than the sum of the subscribed capital increase consideration and the subscribed capital increase consideration 5.2%/year (complex interest), the difference is made by the Group. The Group would recognize the derivative financial liabilities at fair value for obligation to pay for the difference.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Notes receivables

	30 June 2019	31 December 2018
Bank acceptance notes	977,775	1,237,458
Trade acceptance notes	182,605	186,089
Less: Provision for bad debts	–	–
Total	1,160,380	1,423,547

As at 30 June 2019 and 31 December 2018, the Group expects that notes receivables can be fully recovered thus no provision for bad debts was recognised.

No amount due from shareholders who hold more than 5% (inclusive) of the voting rights of the Company is included in the above balance of notes receivables.

All of the above notes receivables are due within one year.

- (a) As at 30 June 2019, pledged notes receivables presented in the notes and accounts receivables of the Group are as follows:

	30 June 2019
Bank acceptance notes	20,631
Trade acceptance notes	69,824
	90,455

As at 30 June 2019 and 31 December 2018, there were no bills transferred to accounts receivables due to failure of performance by the issuers.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Accounts receivables

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

	30 June 2019	31 December 2018
Containers	8,184,822	6,852,841
Road transportation vehicles	3,012,273	2,713,628
Energy, chemical and liquid food equipment	3,243,291	3,356,733
Offshore engineering	643,728	495,519
Airport facilities	2,519,337	1,848,944
Logistics services	1,263,549	1,326,322
Heavy truck	1,266,320	1,060,341
Others	1,142,069	1,105,053
Sub-total	21,275,389	18,759,381
Less: provision for bad debts	(863,963)	(863,462)
Total	20,411,426	17,895,919

(a) The aging analysis of accounts receivables from the date of the initial recognition is as follows:

	30 June 2019	31 December 2018
Within 1 year (inclusive)	18,864,514	16,161,762
1 to 2 years (inclusive)	964,104	997,255
2 to 3 years (inclusive)	776,220	868,445
Over 3 years	670,551	731,919
Sub-total	21,275,389	18,759,381
Less: provision for bad debts	(863,963)	(863,462)
Total	20,411,426	17,895,919

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Accounts receivables (Continued)

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

(b) As at 30 June 2019, the five largest balances of accounts receivables are analysed as follows, accumulated by arrearage parties:

	Book balance	Provision for bad debts	% of total accounts receivables
Total of the five largest accounts receivables	4,665,049	–	21.93%

As at 31 December 2018, the total amount of the top five accounts receivables of the Group was RMB4,820,926,00, accounting for 25.70% of the total accounts receivables.

(c) Accounts receivables derecognised due to transfer of financial assets:

From 1 January to 30 June 2019, the Group has no accounts receivables derecognised due to transfer of financial asset (2018: Nil).

(2) Provision for bad debts

(a) As at 30 June 2019, notes and accounts receivables with amounts that the related provision for bad debts is set aside on the individual basis are analysed as follows:

	Book balance	Lifetime expected credit losses rate	Provision for bad debts	Reason
Containers	4,990,127	0.27%	13,609	
Road transportation vehicles	1,368,787	3.24%	44,394	
Energy, chemical and liquid food equipment	215,289	63.00%	135,623	Measured provision as lifetime expected credit losses
Offshore engineering	6,288	24.08%	1,514	
Airport facilities	384,771	7.33%	28,193	
Logistics services	228,218	1.13%	2,575	
Heavy truck	887,636	8.78%	77,907	
Others	1,113,439	0.97%	10,853	
	9,194,555		314,668	

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Accounts receivables (Continued)

(2) Provision for bad debts (Continued)

(b) As at 30 June 2019, receivables that are assessed for impairment on a collective group basis are as follows:

Collectively assessed – Containers:

	Book balance Amount	30 June 2019 Provision for bad debts Lifetime expected credit losses rate	
		losses rate	Amount
Not overdue	2,883,873	3.52%	101,585
Overdue within 1 month	1,833	0.00%	–
Overdue for 1 to 3 months	100,781	0.97%	978
Overdue 3 to 12 months	178,686	2.18%	3,898
Overdue 1 to 2 years	11,010	52.46%	5,776
Overdue 2 to 3 years	519	100.00%	519
Overdue for more than 3 years	17,993	100.00%	17,993
	3,194,695		130,749

Collectively assessed – Road transportation vehicles:

	Book balance Amount	30 June 2019 Provision for bad debts Lifetime expected credit losses rate	
		losses rate	Amount
Not overdue	1,182,284	1.26%	14,861
Overdue within 1 month	135,087	1.61%	2,173
Overdue for 1 to 3 months	114,816	4.48%	5,149
Overdue 3 to 12 months	100,329	5.81%	5,825
Overdue 1 to 2 years	52,099	20.03%	10,437
Overdue 2 to 3 years	27,272	80.03%	21,827
Overdue for more than 3 years	31,599	98.74%	31,200
	1,643,486		91,472

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Accounts receivables (Continued)

(2) Provision for bad debts (Continued)

(b) As at 30 June 2019, receivables that are assessed for impairment on a collective group basis are as follows:
(Continued)

Collectively assessed – Energy, chemical and liquid food equipment:

	Book balance	30 June 2019 Provision for bad debts	
	Amount	Lifetime expected credit losses rate	Amount
Not overdue	1,993,746	0.00%	–
Overdue within 1 month	139,972	5.79%	8,104
Overdue for 1 to 3 months	228,691	3.26%	7,466
Overdue 3 to 12 months	363,334	4.90%	17,809
Overdue 1 to 2 years	128,585	24.87%	31,985
Overdue 2 to 3 years	75,425	24.42%	18,416
Overdue for more than 3 years	98,249	50.99%	50,099
	3,028,002		133,879

Collectively assessed – Offshore engineering:

	Book balance	30 June 2019 Provision for bad debts	
	Amount	Lifetime expected credit losses rate	Amount
Overdue within 1 month	637,440	1.67%	10,674

Collectively assessed – Airport facilities:

	Book balance	30 June 2019 Provision for bad debts	
	Amount	Lifetime expected credit losses rate	Amount
Not overdue	890,369	0.00%	–
Overdue within 1 month	13,378	0.00%	–
Overdue for 1 to 3 months	34,507	0.08%	29
Overdue 3 to 12 months	1,128,717	5.88%	66,417
Overdue 1 to 2 years	19,639	5.95%	1,168
Overdue 2 to 3 years	19,663	26.77%	5,263
Overdue for more than 3 years	28,293	65.07%	18,410
	2,134,566		91,287

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Accounts receivables (Continued)

(2) Provision for bad debts (Continued)

(b) As at 30 June 2019, receivables that are assessed for impairment on a collective group basis are as follows:
(Continued)

Collectively assessed – Heavy truck:

	Book balance	30 June 2019	
		Provision for bad debts	
		Lifetime	
		expected	
		credit	
	Amount	losses rate	Amount
Not overdue	118,057	0.00%	–
Overdue within 1 month	13,097	0.00%	–
Overdue for 1 to 3 months	18,398	0.00%	–
Overdue 3 to 12 months	112,579	4.02%	4,523
Overdue 1 to 2 years	38,210	16.64%	6,359
Overdue 2 to 3 years	11,974	22.87%	2,738
Overdue for more than 3 years	66,369	51.19%	33,971
	378,684		47,591

Collectively assessed – Logistics services:

	Book balance	30 June 2019	
		Provision for bad debts	
		Lifetime	
		expected	
		credit	
	Amount	losses rate	Amount
Not overdue	867,122	0.12%	1,050
Overdue within 1 month	53,148	1.81%	960
Overdue for 1 to 3 months	33,783	5.00%	1,689
Overdue 3 to 12 months	38,985	3.20%	1,249
Overdue 1 to 2 years	27,429	31.05%	8,517
Overdue 2 to 3 years	9,970	100.00%	9,970
Overdue for more than 3 years	4,894	100.00%	4,894
	1,035,331		28,329

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Accounts receivables (Continued)

(2) Provision for bad debts (Continued)

(b) As at 30 June 2019, receivables that are assessed for impairment on a collective group basis are as follows:
(Continued)

Collectively assessed – Others:

	Book balance	30 June 2019	
		Provision for bad debts	
	Amount	Lifetime expected credit losses rate	Amount
Not overdue	26,203	57.53%	15,074
Overdue within 1 month	70	0.00%	–
Overdue for 1 to 3 months	–	–	–
Overdue 3 to 12 months	350	10.57%	37
Overdue 1 to 2 years	1,503	0.00%	–
Overdue 2 to 3 years	504	40.28%	203
Overdue for more than 3 years	–	–	–
	28,630		15,314

The provision for bad debts from 1 January to 30 June 2019 amounted to RMB52,911,000 (from 1 January to 30 June 2018: RMB42,037,000). A provision for bad debts amounted to RMB30,312,000 has been collected or reversed. (from 1 January to 30 June 2018: RMB36,072,000).

The accounts receivables amounted to RMB23,277,000 was written off from 1 January to 30 June 2019 (from 1 January to 30 June 2018: RMB985,000), the provision for bad debts amounted to RMB23,277,000 (from 1 January to 30 June 2018: RMB985,000).

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Accounts receivables (Continued)

(3) Accounts receivables from related parties

As from 1 January to 30 June 2019, the Group's accounts receivables from related parties amounted to RMB184,101,000 (31 December 2018: RMB251,663,000), accounting for 0.86% of the total accounts receivables (31 December 2018: 1.35%).

Company name	Relationship with the Group	30 June 2019			31 December 2018		
		Amount	% of total balance	Provision for bad debts	Amount	% of total balance	Provision for bad debts
LiHua Gas Storage and Transportation Co., Ltd.	Associate	135,476	0.64%	-	-	-	-
Ningxia Changming (i)	Associate	-	-	-	60,750	0.32%	-
Shanxi Heavy Duty Auto-mobile Co., Ltd. ("SHDA")	Minority shareholders of subsidiaries	25,865	0.12%	-	87,335	0.47%	-
DongFan International Container (GuangZhou) Co., Ltd.	Subsidiary of significant shareholder	6,569	0.03%	-	-	-	-
DongFan International Container (JinZhou) Co., Ltd.	Subsidiary of significant shareholder	6,307	0.03%	-	-	-	-
NYK Zhenhua logistics (Tianjin) Co. Ltd. ("NKY Zhenhua")	Joint venture	4,911	0.02%	-	7,010	0.04%	-
Gasfin Investment S.A. ("Gasfin")	Minority shareholders of subsidiaries	-	-	-	9,539	0.05%	-
NYK Zhenhua logistics (Tianjin) Co. Ltd. ("NKY Zhenhua")	Minority shareholders of subsidiaries	-	-	-	71,825	0.38%	-
Zhejiang Xinlong Bamboo Industry Co., Ltd.	Associate	-	-	-	5,794	0.03%	-
Tianjin Shouong Dongjiang	Associate	-	-	-	1,863	0.01%	-
Senju (Jiangmen)	Associate	-	-	-	1,457	0.01%	-
DongFan International Container (Lianyungang) Co., Ltd. ("DongFan International")	Subsidiary of significant shareholder	-	-	-	1,223	0.01%	-
Ocean En-Tech	Associate	-	-	-	1,200	0.01%	-
Other related parties		4,973	0.02%	-	3,667	0.02%	-
Total		184,101	0.86%	-	251,663	1.35%	-

(i) As at 30 June 2019, Ningxia Changming has been a subsidiary of the Group.

As at 30 June 2019 and 31 December 2018, the Group had no accounts receivables pledged to the bank as a guarantee for short-term borrowings.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Receivables Financing

	30 June 2019	31 December 2018
Trade acceptance notes	1,006	–
Bank acceptance notes	39,912	179,412
Less: provision for bad debts	–	–
Total	40,918	179,412

Due to the needs of daily fund management, the subsidiaries of the Group discounted and endorsed part of bank acceptance notes. The Group therefore classify notes receivables as financial assets at fair value through other comprehensive income.

As at 30 June 2019, the Group measured provision as lifetime expected credit losses. The Group believes that the bank acceptance notes held do not have significant credit risk and will not cause significant losses due to bank defaults.

As at 30 June 2019, outstanding notes receivables discounted endorsed by the Group presented in Receivables Financing are as follows:

	Derecognised	Not derecognised
Trade acceptance notes	24,185	1,006
Bank acceptance notes	3,275,515	39,912
	3,299,700	40,918

7. Advances to suppliers

(1) Advances to suppliers analysed by categories are as follows:

	30 June 2019	31 December 2018
Prepayment for land use right	212,150	4,101,550
Raw material (including vessels under construction)	3,004,721	2,745,818
Others	37,095	55,373
Sub-total	3,253,966	6,902,741
Less: provision for bad debts	(41,057)	(41,444)
Total	3,212,909	6,861,297

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Advances to suppliers (Continued)

(2) Aging analysis of advances to suppliers is as follows:

	30 June 2019		31 December 2018	
	Amount	% of total balance	Amount	% of total balance
Within 1 year (inclusive)	2,581,064	79.32%	5,978,612	86.61%
1 to 2 years (inclusive)	112,763	3.47%	278,274	4.03%
2 to 3 years (inclusive)	66,198	2.03%	46,078	0.67%
Over 3 years	493,941	15.18%	599,777	8.69%
Sub-total	3,253,966	100.00%	6,902,741	100.00%
Less: provision for bad debts	(41,057)	1.26%	(41,444)	0.60%
Total	3,212,909	98.74%	6,861,297	99.40%

The aging is calculated from the date that advances to suppliers is recognised.

Other advances to suppliers aged over a year mainly represented the prepayment of raw materials and equipment for offshore business engineering projects by the Group. Since the production cycle of the offshore engineering project is usually more than one year, the prepayment has not yet been settled.

(3) As at 30 June 2019, the five largest balances of advances to suppliers are analysed as follows, accumulated by arrearage parties:

	Amount	% of total balance
Total of the five largest advances to suppliers	671,129	20.62%

As at 31 December 2018, the total amount of the Group's five largest advances to suppliers amounted to RMB1,037,969,000, accounting for 15.04% of the total balance.

(4) Advances to shareholders who hold more than 5% (inclusive) of the voting rights of the Company are as follows:

As at 30 June 2019 and 31 December 2018, there is no advances to shareholders who hold more than 5% (inclusive) of the voting rights of the Company.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Advances to suppliers (Continued)

(5) Advances to related parties are analysed as follows:

Company name	Relationship with the Group	30 June 2019			31 December 2018		
		Amount	% of total balance	Provision for bad debts	Amount	% of total balance	Provision for bad debts
Shanxi Heavy Truck	Minority shareholders of the Group's subsidiaries	8,045	0.25%	-	173	0.00%	-
Y&C Engine	Joint Venture	5,506	0.17%	-	-	-	-
Shenzhen Sky Capital Co., Ltd.	Joint Venture	2,080	0.06%	-	3,900	0.06%	-
Other related parties		-	-	-	425	0.01%	-
Total		15,631	0.48%	-	4,498	0.07%	-

8. Other receivables

(1) Other receivables analysed by categories are as follows:

		30 June 2019	31 December 2018
Receivables arising from financing for related parties		2,076,955	2,334,961
Receivables from share capital increase/transfer	Note IV.8(5)(i)	3,799,195	3,956,738
Advanced payment of equity transfer and financial grants	(i)	178,634	178,634
Loans	(ii)	777,398	1,731,998
Assets purchased under reverse repurchase agreements	(iii)	49,800	670,000
Security deposits		1,190,799	1,216,741
Receivables from demolition compensation	(iv)	28,694	91,445
Tax refund receivables		188,409	234,306
Government grants receivable		165,156	16,200
Interest receivable		9,248	8,775
Dividends receivable		18,874	12,816
Others		1,055,172	1,248,659
Sub-total		9,538,334	11,701,273
Less: provision for bad debts		(418,458)	(425,129)
Total		9,119,876	11,276,144

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Other receivables (Continued)

(1) Other receivables analysed by categories are as follows: (Continued)

- (i) On 27 August 2015, CIMC Enric Investment Holdings (Shenzhen) Limited ("EIHL"), an indirect wholly-owned subsidiary of Enric and an subsidiary of the Group, entered into an agreement ("Agreement") with SOEG PTE LTD ("SOEG"), Jiangsu Pacific Shipbuilding Group Co., Ltd. ("Jiangsu Pacific") and Evergreen Group Co., Ltd. ("Evergreen") (collectively, the "Vendors"), shareholders of SOE, pursuant to which the Vendors agreed to sell and EIHL agreed to purchase 100% equity interest in SOE. Afterwards, the Company, SOE and Evergreen entered into a financial assistance framework agreement ("Financial Assistance Agreement") which governed the financial assistance provided by the Group to SOE in the form of loans and guarantees.

On 1 June 2016, Enric announced that the Board considered certain conditions precedent in the Agreement could not be fulfilled and the Vendors had breached certain material terms of the Agreement. EIHL delivered termination notices to the Vendors for termination of the Agreement. Enric assessed the prepayments due from the seller and the recoverability of the receivables from Nantong Pacific. As at 31 December 2016, Enric provided a bad debt provision of RMB1,184,281,000 for the amount received from Nantong Pacific.

In 2017, Nantong Pacific was taken over by the Nantong Pacific Bankruptcy Liquidation Group (the "Manager") appointed by the Chinese court. Based on the solvency analysis report provided by the administrator, Enric further accrued impairment provision of approximately RMB105,549,000.

On 5 July 2017, Enric Investment Holdings, Nantong Pacific and the Manager entered into a restructuring investment agreement ("Reorganization Plan"), pursuant to which Enric Investment Holdings (as a restructured investor) submitted an offer. Through the acquisition of the entire equity interest in Nantong Pacific, Nantong Pacific purchased a major asset. Subsequently, the reorganization plan was officially approved by the Nantong Pacific creditors at the creditors' meeting on 22 July 2017 and was officially approved by the Chinese court on 4 August 2017. Nantong Pacific became a wholly-owned subsidiary of Enric Investment Holdings on 4 August 2017.

EIHL received certain litigation papers including notification calling for responses to the action and summons served by the Jiangsu Province High People's Court in December 2018, where SOEG claims, amongst other things, that EIHL should pay for the remaining balance of the equity transfer of RMB153,456,000 in relation to the acquisition of equity interest in SOE from SOEG in 2015. The Directors of the Company were of the view that no provision shall necessarily be made on the litigation claims as at 30 June 2019 after taking into account of the progress of the current litigation and the opinion of independent legal counsels.

- (ii) Borrowings mainly contained car loan compensation, interbank borrowings of the Finance Company; third party borrowings and petty cash fund for staff.
- (iii) Assets purchased under reverse repurchase agreements mainly contained the interbank pledge-style repo transactions of Finance company, one of the subsidiary of the Group.
- (iv) On 1 June 1 2017, Tianjin Binhai High-tech Industrial Development Zone Land Reserve Center and the wholly-owned subsidiary of the Group, CIMC Beiyang, signed the "Tianjin Land Consolidation Reserve Project Compensation Contract. CIMC Beiyang needs to submit this demolition. The "Real Estate Ownership Certificate" or other relevant ownership certificate of the demolished house was handed over to the Tianjin Binhai Hi-Tech Industrial Development Zone Land Reserve Center on the date of signing of the contract and submitted to the relevant department for financial supervision and approval, land acquisition and storage, and property rights cancellation procedures. The substantive obligations stipulated in the compensation agreement have also been completed in 2017. As at 30 June 2019, the amount of RMB25,000,000 had not been recovered.

In 2018, Shenzhen Nanshan District Sub-district Office signed an agreement with Shenzhen Southern CIMC Containers Service Co., Ltd., a subsidiary of the Group, to stipulate the compensation for the demolition of buildings due to the construction of the Chiwan Parking Station and the Left Fort Station of the Metro Line 2 project. Shenzhen Southern CIMC Containers Service Co., Ltd. has handed over the compensated items and land stipulated in contract to Shenzhen Metro Group Co., Ltd. on 30 September 2018. As at 30 June 2019, compensation of RMB3,694,000 has not been recovered.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Other receivables (Continued)

(2) Loss provision and changes in book balance

	First stage			Third stage			Total	
	expected credit loss in the next twelve months (collectively assessed)		expected credit loss in the next twelve months (individually assessed)		Sub-total	Lifetime expected credit losses rate (suffered credit impairment)		
	Book balance	Provision for bad debts	Book balance	Provision for bad debts		Book balance		Provision for bad debts
31 December 2018	11,270,237	-	178,749	178,749	178,749	252,287	246,380	425,129
Increase in current year	155,487	-	808	808	808	-	-	808
Reversal in current year	(2,306,511)	-	(3,632)	(3,632)	(3,632)	(6,121)	-	(3,632)
Write-off and derecognise in current year	-	-	(3,168)	(3,168)	(3,168)	-	(643)	(3,811)
Including: Write-off in current year Derecognise	-	-	(3,168)	(3,168)	(3,168)	-	(643)	(3,811)
Currency translation differences	-	-	(36)	(36)	(36)	-	-	(36)
30 June 2019	9,119,213	-	172,721	172,721	172,721	246,166	245,737	418,458

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Other receivables (Continued)

(2) Loss provision and changes in book balance (Continued)

(i) As at 30 June 2019, the provision for bad debts of other receivables in the first stage is as follows:

	Book balance	Expected credit loss rate in the next twelve months	Provision for bad debts	Reason
Individually assessed:				
Loan	45,705	100.00%	45,625	
Security deposits	31,270	100.00%	31,270	
Receivables from demolition compensation	390	100.00%	390	
Others	95,590	100.00%	95,590	
	172,955		172,955	
Collectively assessed:				
Receivables arising from financing for related parties	2,076,955	0.00%	-	Note: Measured provision as lifetime expected credit losses
Receivables from share capital increase/transfer	3,799,195	0.00%	-	
Loan	676,971	0.00%	-	
Assets purchased under reverse repurchase agreements	49,800	0.00%	-	
Security deposits	1,146,719	0.00%	-	
Receivables from demolition compensation	28,304	0.00%	-	
Tax refund receivables	188,409	0.00%	-	
Government grants receivables	165,156	0.00%	-	
Interest receivable	9,248	0.00%	-	
Dividends receivable	18,874	0.00%	-	
Others	959,582	0.00%	-	
	9,119,213		-	

(ii) As at 30 June 2019, the provision for bad debts of other receivables in the third stage is as follows:

	Book balance	Lifetime expected credit losses rate	Provision for bad debts	Reason
Individually assessed:				
Advanced payment of equity transfer and financial grants	178,634	100.00%	178,634	Note: Measured provision as lifetime expected credit losses
Loan	54,722	99.22%	54,293	
Security deposits	12,810	100.00%	12,810	
	246,166		245,737	

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Other receivables (Continued)

(3) Reversal or recovery of provision for the year

The provision for bad debts this year amounted to RMB808,000 (January to June in 2018: RMB31,709,000), among which RMB3,632,000 has been recovered or reversed (January to June in 2018: RMB2,562,000).

(4) Other receivables written off in current year

Other receivables written off in current year amounted to RMB3,811,000 (January to June in 2018: RMB6,317,000).

(5) As at 30 June 2019, the five largest balances of other receivables are analysed as follows:

	Note	Nature	Book balance	Aging	% of total balance	Provision for bad debts
Tianjin Lanshui Offshore Engineering Limited Partnership ("Tianjin Lanshui")	(i)	Receivables from capital increase	3,575,000	2 to 3 years	37.48%	–
Dongguan Country Garden Real Estate Group Co., Ltd. ("Dongguan Country Garden Real Estate")	(ii)	Receivables arising from financing for related parities	1,015,538	within 1 year	10.65%	–
Qijing Zhongbirui Real Estate Development Co., Ltd. ("Qijing Zhongbirui")		Receivables arising from financing for related parities	583,100	within 1 year	6.11%	–
Zhenjiang CIMC Runyu Real Estate Co., Ltd.		Receivables arising from financing for related parities	218,471	1 to 3 years	2.29%	–
Global Logistic Properties Investment Management (China) Co., Ltd. ("GLP")		Receivables from capital increase/transfer	174,182	1 to 2 years	1.83%	–
Total			5,566,291		58.36%	–

(i) On 23 December 2016, Qianhai leasing and TianJin YongWang and TianJin BlueWater signed a capital increase agreement and industrial and commercial registration was changed on 28 December 2016. As at 30 June 2019, RMB3.575 billion has not been received yet. According to the contract, after the date of capital increase, TianJin BlueWater should guarantee there will be an annual expected earning yields of no less than 4.9853% from 2017 to 2019 which will be paid from the year of 2018. After assessment, the dividend commitment was recognised as other non-current liability with total amount of RMB487,632,000 (Note IV.46) while the difference of total capital increase and other non-current liability mentioned above was recorded as equity.

(ii) As at 30 June 2019, the amount of RMB1,015,538,000 provided by Dongguan Zhengyi, a subsidiary of the Group, to Dongguan Country Garden Real Estate Group Co., Ltd. ("Dongguan Country Garden Real Estate"), a subsidiary of the Country Garden Real Estate has not been recovered.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Other receivables (Continued)

(6) As at 30 June 2019, the Group's government grants recognised in receivables amounted to RMB165,156,000 and are expected to be collected in 2019.

(7) Other receivables from shareholders holding more than 5% (inclusive) of the voting rights of the Company are analysed as follows:

As at 30 June 2019 and 31 December 2018, no amount due from shareholders holding more than 5% (inclusive) of the voting rights of the Company is included in the above balance of other receivables.

(8) As at 30 June 2019, other receivables from related parties are analysed as follows:

Company name	Relationship with the Group	30 June 2019				31 December 2018			
		Amount	Nature	% of total balance	Provision for bad debts	Amount	Nature	% of total balance	Provision for bad debts
Country Garden Real Estate and its subsidiaries	Minority shareholders of the Group's subsidiaries	1,762,546	Funding	18.48%	-	2,028,506	Funding	17.34%	-
Zhenjiang CIMC Runyu Real Estate Co., Ltd. ("Runyu Real Estate")	Associate	218,471	Funding	2.29%	-	256,952	Funding	2.20%	-
Shenzhen China Merchants Real Estate Holding Co., Ltd.	Subsidiary of significant shareholder	70,650	Transfer of equity	0.74%	-	70,650	Transfer of equity	0.60%	-
China Merchants Shekou Industrial Zone Holdings Co., Ltd	Subsidiary of significant shareholder	50,998	Funding	0.53%	-	-	-	-	-
Shanghai Fengyang	Associate	34,204	Funding	0.36%	-	34,204	Funding	0.29%	-
Qingdao Port International Logistics Co., Ltd	Associate	28,042	Entrust loans	0.29%	-	-	-	-	-
Nantong Xinyang Environmental Protection Panel Co., Ltd. Company ("Nantong Xinyang")	Associate	10,736	Funding	0.12%	-	11,028	Funding	0.09%	-
Other related parties		10,494		0.11%	-	5,093		0.04%	-
Total		2,186,141		22.92%	-	2,406,433		20.56%	-

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Inventories

(1) Inventories summarised by categories are as follows:

	30 June 2019			31 December 2018		
	Book balance	Impairment provision for inventories and impairment provision for costs incurred to fulfil a contract	Book balance	Book balance	Impairment provision for inventories and impairment provision for costs incurred to fulfil a contract	Book balance
Raw materials	4,991,158	(236,798)	4,754,360	4,414,392	(241,276)	4,173,116
Work in progress	3,522,906	(93,650)	3,429,256	3,597,594	(97,343)	3,500,251
Finished goods	4,803,646	(109,555)	4,694,091	4,991,136	(104,573)	4,886,563
Consignment stocks	229,228	(208)	229,020	241,316	(208)	241,108
Spare parts	220,928	(6,424)	214,504	219,161	(6,457)	212,704
Low-valued consumables	32,462	(279)	32,183	30,199	(374)	29,825
Materials in transit	45,529	–	45,529	33,731	–	33,731
Completed properties	560,444	(13,750)	546,694	660,425	(14,538)	645,887
Properties under development	14,715,212	(4,992)	14,710,220	9,523,556	(4,992)	9,518,564
Offshore engineering Project	4,915,700	(861,594)	4,054,106	4,943,242	(860,597)	4,082,645
Costs incurred to fulfil a contract	11,865	–	11,865	10,930	–	10,930
Total	34,049,078	(1,327,250)	32,721,828	28,665,682	(1,330,358)	27,335,324

As at 30 June 2019, the Group's closing balance of inventories included capitalised borrowing cost amounted to RMB296,575,000 (31 December 2018: RMB160,255,000). The interest rate per annum at which the borrowing costs were capitalised was 4.65% (January to June 2018: 4.93%).

As at 30 June 2019, restricted Inventories of the Group amounted to RMB558,460,000 (31 December 2018: Nil).

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Inventories (Continued)

(2) Analysis of book balance movement of inventories for the year is as follows:

	31 December 2018	Increase in current period	Decrease in current period	30 June 2019
Raw materials	4,414,392	28,867,300	(28,290,534)	4,991,158
Work in progress	3,597,594	19,655,201	(19,729,889)	3,522,906
Finished goods	4,991,136	32,453,332	(32,640,822)	4,803,646
Consignment stocks	241,316	886,591	(898,679)	229,228
Spare parts	219,161	313,466	(311,699)	220,928
Low-valued consumables	30,199	109,991	(107,728)	32,462
Materials in transit	33,731	26,727	(14,929)	45,529
Completed properties held for sale	660,425	301	(100,282)	560,444
Properties under development	9,523,556	5,192,460	(804)	14,715,212
Offshore engineering Project	4,943,242	33,109	(60,651)	4,915,700
Costs incurred to fulfil a contract	10,930	3,866	(2,931)	11,865
Total	28,665,682	87,542,344	(82,158,948)	34,049,078

(3) Provision for impairment of inventories and costs incurred to fulfil a contract are as follows:

Category	31 December 2018	Increase in current period Recognise	Decrease in current period		Currency translation differences	30 June 2019
			Reversal	Write-off		
Raw materials	241,276	10,215	(5,388)	(6,402)	(2,903)	236,798
Work in progress	97,343	140	(3,854)	–	21	93,650
Finished goods	104,573	14,978	(785)	(9,267)	56	109,555
Consignment stocks	208	–	–	–	–	208
Spare parts	6,457	16	(699)	665	(15)	6,424
Low-valued consumables	374	–	(17)	(35)	(43)	279
Completed properties held for sale	14,538	–	(788)	–	–	13,750
Properties under development	4,992	–	–	–	–	4,992
Offshore engineering Project	860,597	–	–	–	997	861,594
Costs incurred to fulfil a contract	–	–	–	–	–	–
Total	1,330,358	25,349	(11,531)	(15,039)	(1,887)	1,327,250

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Inventories (Continued)

(4) Provision for impairment of inventories are as follows:

- (a) The provision for impairment of the Group's inventories during the year was recognised mainly for the price drop of certain products and the slow-moving or waste materials.

Written off/reversal of provision for impairment of the Group's inventories during the year is as follows:

Category	Basis for provision	Reason for reversal/write-off
Raw materials	The net realisable value is lower than the net book value	Increase in net realisable value/usage or sales of inventories
Work in progress	The net realisable value is lower than the net book value	Increase in net realisable value/usage or sales of inventories
Finished goods	The net realisable value is lower than the net book value	Increase in net realisable value/usage or sales of inventories
Consignment stocks	The net realisable value is lower than the net book value	Increase in net realisable value/usage or sales of inventories
Spare parts	The net realisable value is lower than the net book value	Increase in net realisable value/usage or sales of inventories
Low-valued consumables	The net realisable value is lower than the net book value	Increase in net realisable value/usage or sales of inventories
Completed properties held for sale	The net realisable value is lower than the net book value	Increase in net realisable value/usage or sales of inventories
Properties under development construction development products	The net realisable value is lower than the net book value	Increase in net realisable value/usage or sales of inventories
Offshore engineering Project	The net realisable value is lower than the net book value	Increase in net realisable value/usage or sales of inventories

10. Contract Asset

	30 June 2019	31 December 2018
Contract assets	2,448,186	1,551,556
Less: contract assets impairment provision	(15,558)	(37,208)
	2,432,628	1,514,348

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. Contract Asset (Continued)

As at 30 June 2019, contract assets impairment provision individually assessed are as follows:

	Book balance	Lifetime expected credit losses rate	Provision for bad debts	Reason
Offshore engineering	596,953	0.66%	3,920	Note: Measured provision as lifetime expected credit losses
Energy, chemical and liquid food equipment	1,354,197	0.86%	11,638	
	1,951,150		15,558	

As at 30 June 2019, contract assets impairment provision collectively assessed are as follows:

	Book balance	Lifetime expected credit losses rate	Provision for bad debts	Reason
Airport facilities	497,036	0.00%	–	Note: Measured provision as lifetime expected credit losses

11. Assets and liabilities held for sale

	30 June 2019		
	Carrying amount immediately before the classification	Provision for impairment of assets held for sale	Carrying amount
Assets held for sale –			
Investment properties	26,401	–	26,401
Fixed assets	86,296	–	86,296
Intangible assets	85,177	–	85,177
Total	197,874	–	197,874
	31 December 2018		
	Carrying amount immediately before the classification	Provision for impairment of assets held for sale	Carrying amount
Assets held for sale –			
Investment properties	26,401	–	26,401
Fixed assets	86,296	–	86,296
Intangible assets	85,177	–	85,177
Total	197,874	–	197,874

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. Assets and liabilities held for sale (Continued)

On 11 November 2016, with the approval of the board of directors, Qinhuangdao Vehicle, a subsidiary of the Group, entered into an irrevocable asset transfer agreement with the Qinhuangdao Economic and Technological Development Zone Land Acquisition and Purchase Center to sell fixed assets amounted RMB30,404,000 and intangible assets amounted to RMB74,954,000, the transfer price is RMB136,000,000. On 16 November 2016, with the approval of the board of directors, Xinjiang Vehicles, a subsidiary of the Group, signed an irrevocable agreement with the People's Government of Urumqi High-Tech Industrial Development Zone (New City) and the Management Committee of Urumqi New and High-Tech Industrial Development Zone (New City) to sell of investment real estate amounted to 26,401,000, fixed assets amounted to RMB55,892,000 and intangible assets amounted to RMB10,223,000, the transfer price is RMB138,950,000. Although the above transaction was not completed, the Group expects to complete it in 2019. Therefore, it will continue to be classified as held for sale on 30 June 2019 and 31 December 2018, and separately presented in the current assets of the balance sheet.

12. Current portion of non-current assets

	30 June 2019	31 December 2018
Finance lease receivables (Note IV.15)	6,658,854	6,525,655
Less: unrealised financing income	(1,427,517)	(1,437,660)
Finance lease receivables – net	5,231,337	5,087,995
Sales of goods by installment	10,901	10,674
Others	169,736	5,635
Sub-total	5,411,974	5,104,304
Less: impairment provisions	(650,263)	(716,418)
Total	4,761,711	4,387,886

As at 30 June 2019, the balance of the long-term receivables from related parties due within one year of the Group was 36,066,000 (31 December 2018:RMB96,523,000).

Company Name	Relationship	30 June 2019	31 December 2018
LiHua Energy	Associate	22,323	53,588
Y&C Engine	Joint Venture	–	15,070
New Horizon Shipping UG	Joint Venture	13,743	12,925
Zhongyi Xinwei	Associate	–	11,247
NingXia Changming (i)	Associate	–	3,693
Total		36,066	96,523

(i) As at 30 June 2019, NingXia Changming has been subsidiary of the group.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Other current assets

	30 June 2019	31 December 2018
Tax deductible/withheld	1,057,423	836,995
Others	9,758	22,330
Total	1,067,181	859,325

14. Other debt investments

	30 June 2019	31 December 2018
China Development Bank 2015 Tenth Financial Bonds (i)	30,821	30,581
Less: other debt investments impairment provisions	-	-
	30,821	30,581

(i) As at 30 June 2019, the book value of the other debt investments was RMB30,000,000, the coupon rate was 4.21%, the yield to maturity was 3.32%, the maturity date was 10 April 2025, and the fair value was RMB30,821,000.

As at 30 June 2019, the bonds held by the Group all have an investment-grade external credit rating. The counterparty has strong repayment ability and low default risk. The Group regards it as a financial instrument with low credit risk, and provision is measured as expected credit losses within the next twelve months.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Long-term receivables

	30 June 2019	31 December 2018
Finance lease receivables	27,343,304	28,169,139
Less: unrealised financing income	(7,867,988)	(9,111,735)
Finance lease receivables – net	19,475,316	19,057,404
Sales of goods by installments	51,181	53,332
Others	536,956	211,986
Sub-total	20,063,453	19,322,722
Less: impairment provisions	(1,088,261)	(1,060,467)
Sub-total	18,975,192	18,262,255
Less: current portion of non-current assets	(4,761,711)	(4,387,886)
Total	14,213,481	13,874,369

As at 30 June 2019, there is no long-term receivables due from shareholders holding more than 5% (inclusive) of the voting rights of the Company or related parties. (31 December 2018: Nil)

The total future minimum lease receipts under finance lease after the balance sheet date, 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), are analysed as follows:

	30 June 2019	31 December 2018
Minimum lease receipts		
Within 1 year (inclusive)	6,658,854	6,525,655
1 to 2 years (inclusive)	783,070	3,305,901
2 to 3 years (inclusive)	2,683,549	2,462,104
Over 3 years	17,217,831	15,875,479
Sub-total	27,343,304	28,169,139
Less: unrealised finance income	(7,867,988)	(9,111,735)
Total	19,475,316	19,057,404

As at 30 June 2019, there is no derecognition of the long-term receivables due to transferring of financial assets in current year. (31 December 2018: RMB64,475,000)

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Long-term receivables (Continued)

The analysis of long-term receivables due from related parties is as follows:

Company name	Relationship with the Group	30 June 2019	31 December 2018
New Horizon Shipping UG	Joint Venture	560,425	566,707
LiHua Energy	Associate	–	10,285
Y&C Engine	Joint Venture	–	1,256
Zhongyi Xinwei	Associate	27,048	21,432
Total		587,473	599,680

(1) Loss provision and changes in book balance:

	First stage			Second stage		Third stage			Sub-total	Total			
	Expected credit loss in the next twelve months (collectively assessed)		Expected credit loss in the next twelve months (individually assessed)	Lifetime expected credit losses (Credit risk has increased significantly but credit impairment has not yet occurred)		Lifetime expected credit losses (suffered credit impairment) (collectively assessed)		Lifetime expected credit losses (suffered credit impairment) (individually assessed)					
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	Book balance	Provision for bad debts	Book balance			Provision for bad debts		
31 December 2018	6,991,551	251,402	11,215,705	30,117	281,519	470,513	243,831	160,300	140,269	484,653	394,848	535,117	1,060,467
Increase in current year	2,707,616	38,511	255,453	50	38,561	–	2,319	–	231	–	–	231	41,111
Reversal in current year	(1,859,387)	(13,955)	(334,441)	–	(13,955)	(51,718)	–	(5,886)	–	–	–	–	(13,955)
Write-off and derecognise in current year	–	–	–	–	–	–	–	–	–	–	–	–	–
Including: Write-off in current year	–	–	–	–	–	–	–	–	–	–	–	–	–
Derecognise	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfer to the second stage	(61,457)	(10,786)	–	–	(10,786)	99,389	37,393	(37,932)	(26,607)	–	–	(26,607)	–
Transfer to the third stage	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfer back to the first stage	5,965	12,878	–	–	12,878	–	–	(5,965)	(12,878)	–	–	(12,878)	–
Currency translation differences	(3,656)	(224)	27,932	–	(224)	4,818	862	–	–	–	–	–	638
30 June 2019	7,780,632	277,826	11,164,649	30,167	307,993	523,002	284,405	110,517	101,015	484,653	394,848	495,863	1,088,261

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Long-term receivables (Continued)

(1) Loss provision and changes in book balance: (Continued)

(i) As at 30 June 2019, the provision for bad debts of long-term receivables in the first stage are as follows:

	Book balance	Expected credit loss rate in the next twelve months	Provision for bad debts	Reason
Individually assessed:				
Finance lease receivables	10,974,849	0.27%	30,167	Measured provision as lifetime expected credit losses
Others	189,800	0.00%	-	
	11,164,649		30,167	
Collectively assessed:				
Finance lease receivables	7,426,434	3.74%	277,826	Measured provision as lifetime expected credit losses
Sales of goods by installments	7,042	0.00%	-	
Others	347,156	0.00%	-	
	7,780,632		277,826	

(ii) As at 30 June 2019, the provision for bad debts of long-term receivables in the second stage are as follows:

	Book balance	Expected credit loss rate in the next twelve months	Provision for bad debts	Reason
Collectively assessed:				
Finance lease receivables	517,164	54.71%	282,945	Measured provision as lifetime expected credit losses
Sales of goods by installments	5,838	25.01%	1,460	
	523,002		284,405	

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Long-term receivables (Continued)

(1) Loss provision and changes in book balance: (Continued)

(iii) As at 30 June 2019, the provision for bad debts of long-term receivables in the third stage are as follows:

	Book balance	Expected credit loss rate in the next twelve months	Provision for bad debts	Reason
Individually assessed:				
Finance lease receivables	484,653	81.47%	394,848	Measured provision as lifetime expected credit losses
	484,653		394,848	
Collectively assessed:				
Finance lease receivables	72,216	84.84%	62,714	
Sales of goods by installments	38,301	100.00%	38,301	
	110,517		101,015	

16. Long-term equity investments

(1) Classification of long-term equity investments:

		30 June 2019	31 December 2018
Joint ventures	(2)	674,240	604,023
Associates	(3)	4,759,208	2,968,487
		5,433,448	3,572,510
Less: impairment provisions		(2,610)	(2,610)
Total		5,430,838	3,569,900

There is no substantial restriction of the realisation of long-term equity investments.

No substantial restriction exists which prohibits the transfer of funds between the Group and the joint ventures and associates.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Long-term equity investments (Continued)

(2) Long-term equity investments in joint ventures:

	31 December 2018	Movement in current year					30 June 2019	Impairment provisions
		Increase/ Decrease in investment	Net profit or loss adjusted by equity method	Adjustment of other comprehensive income	Other equity movement	Cash dividend declared		
Guangxi Southern CIMC Logistics Equipment Manufacturing Co., Ltd. ("Guangxi Southern Logistics")	54,081	-	4,246	-	-	-	58,327	-
Supercool (Shanghai) Refrigeration Equipment Co. Ltd.	1,774	(1,774)	-	-	-	-	-	-
NYK Zhenhua logistics (Tianjin) Co. Ltd. ("NKY Zhenhua")	66,916	-	2,049	-	-	(7,186)	61,779	-
Kawasaki Zhenghua logistics (Tianjin) Co. Ltd.	26,949	-	789	-	-	-	27,738	-
Qingdao Jiefeng Baijian Container Maintenance Co., Ltd.	15,690	-	1,444	-	-	-	17,188	-
Dalian Jilong & Baijian Logistics Co., Ltd.	5,694	-	634	-	-	-	6,354	-
Shanghai Baijian Dewei Container Maintenance Co., Ltd.	24,369	-	1,628	-	-	-	26,080	-
Tianjin Jinshi Baijian Container Maintenance Co., Ltd.	6,280	-	296	-	-	-	6,589	-
Y&C Engine Co., Ltd. ("Y&C Engine")	242,075	-	10,215	-	-	-	252,290	-
Shenzhen Cimc Mobile International Service Co., Ltd.	37	-	(1)	-	-	-	36	-
Ningbo Meishan Bonded Port Area Chuangzhi Lian-cheng Investment Management Partnership	51,070	-	-	-	-	-	51,070	-
Hangzhou Xinwei Investment Management Partnership	16,695	(6,665)	-	-	-	-	10,030	-
New Horizon Shipping UG	32,951	-	-	-	-	3	32,954	-
Chemgas Schiffahrts UG (haftungsbeschränkt) & Co. MT "GASCHEMNARWHAL" KG	7,452	64,424	-	-	-	-	71,815	-
Shenzhen CIMC Everbright Logistics Equity Investment Fund Partnership (Limited Partnership)	50,490	-	-	-	-	-	50,490	-
Guangxi Angel Town Education Investment Co., Ltd.	1,500	-	-	-	-	-	1,500	-
Total	604,023	55,985	21,300	-	-	(7,186)	118	674,240

Refer to Note VI.2 for equity in joint ventures.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Long-term equity investments (Continued)

(3) Long-term equity investments in associates:

	31 December 2018	Movement in current year							30 June 2019	Impairment provisions	
		Increase/ Decrease in investment	Net profit or loss adjusted by equity method	Adjustment of other comprehensive income	Other equity movement	Cash dividend declared	Currency translation differences	Recognised impairment provision			Others
Xinyang Wood Hong Kong Co., Ltd. ("XYW")	8,239	-	-	-	-	-	22	-	-	8,261	-
Xiamen CIMC Haitou Container Service Co., Ltd. ("Xiamen CIMC Haitou")	22,931	-	946	-	-	-	8	-	-	23,885	-
Dalian Jilong Logistics Co., Ltd.	51,227	-	90	-	-	-	35	-	-	51,352	-
Senju (Jiangmen) Technology Material Co., Ltd. ("Senju Jiangmen")	45,093	-	-	-	-	-	-	-	-	45,093	-
Shanghai Fengyang Real Estate Development Co., Ltd. ("Shanghai Fengyang")	205,083	-	645	-	-	-	-	-	-	205,728	-
Ocean En-Tech	202,236	36,735	-	-	-	-	(872)	-	-	238,099	-
Marine Subsea & Consafe Limited ("MSC")	2	-	-	-	-	-	-	-	-	2	(2)
Tianzhu (Shanghai) International Freight Agency Co., Ltd. ("Tianzhu International")	1,880	-	(76)	-	-	-	-	-	-	1,804	-
LiHua gas storage and transportation Co., Ltd. ("LiHua Energy")	111,415	-	-	-	-	-	-	-	-	111,415	-
Jiangsu Ruicheng Machinery Co., Ltd. ("Jiangsu Ruicheng")	38,953	-	-	-	-	-	-	-	-	38,953	-
Jiuquan Enric Kunlun Cryogenic Machinery Co., Ltd. ("Jiuquan Cryogenic")	2,608	-	-	-	-	-	-	-	-	2,608	(2,608)
Newtown Optoelectronics Technology (Shanghai) Co., Ltd. ("Newtown Optoelectronics")	16,327	-	(197)	-	-	-	-	-	-	16,130	-
Xuzhou CIMC Wood Co., Ltd. ("Xuzhou CIMC Wood")	28,408	-	(1,577)	-	-	-	-	-	-	26,831	-
Tianjin Shounong Dongjiang Animal Husbandry Co., Ltd. ("Tianjin Shounong Dongjiang")	22,782	-	(929)	-	-	-	-	-	-	21,853	-
Qingdao Port International Trade and Logistics Co., Ltd.	49,568	-	1,855	-	-	-	-	-	-	51,423	-
Tianjin Shounong Import & Export Trading Co. Ltd.	21,110	-	-	-	-	-	-	-	-	21,110	-

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Long-term equity investments (Continued)

(3) Long-term equity investments in associates: (Continued)

	Movement in current year									30 June 2019	Impairment provisions
	31 December 2018	Increase/ Decrease in investment	Net profit or loss adjusted by equity method	Adjustment of other comprehensive income	Other equity movement	Cash dividend declared	Currency translation differences	Recognised impairment provision	Others		
Jiahua Shipping Co., Ltd. ("Jiahua Shipping")	119,246	-	-	-	-	-	171	-	-	119,417	-
Xindu Freight Co., Ltd.	951	-	282	-	-	-	-	-	-	1,233	-
Chifeng Lvtiyuan Farm Co., Ltd.	6,296	-	-	-	-	-	-	-	-	6,296	-
CIMC Arabia Factory Company Limited	2,971	-	-	-	-	-	-	-	-	2,971	-
North Sea Rigs AS	13,720	-	-	-	-	-	2,168	-	-	15,888	-
Ningxia Changming (i)	16,619	(16,619)	-	-	-	-	-	-	-	-	-
Chengdu To Communication Equipment Co., Ltd.	1,890	-	(74)	-	-	-	-	-	-	1,816	-
Shenzhen Road Network Technology Co., Ltd. ("Shenzhen Road Network")	7,075	-	-	-	-	-	-	-	-	7,075	-
Beijing Boxcool Exhibition Co., Ltd.	13,069	-	318	-	-	-	-	-	-	13,387	-
Guangzhou C-H Control Technology Co., Ltd.	31,323	-	(203)	-	-	(1,080)	-	-	-	30,040	-
Shanghai Tanklink Supply Chain Technology Development Co., Ltd.	1,661	-	-	-	-	-	-	-	-	1,661	-
Zhejiang Xinlong Bamboo Industry Co., Ltd. ("Zhejiang Xinlong")	11,473	-	-	-	-	-	-	-	-	11,473	-
Ningguo Guangshen Bamboo Products Co., Ltd. ("Ningguo Guangshen")	1,069	-	-	-	-	-	-	-	-	1,069	-
Fujian Qingchen Bamboo Industry Co., Ltd. ("Qingchen bamboo industry")	4,589	-	-	-	-	-	-	-	-	4,589	-
Mori (Shanghai) International Trade Co., Ltd. ("Mori Shanghai")	968	-	-	-	-	-	-	-	-	968	-
Shenzhen Cadro Hydraulic Equipment Co., Ltd. ("Cadro Hydraulic")	21,742	-	-	-	-	-	-	-	-	21,742	-
Zhongyixinwei	31,195	-	-	-	-	-	-	-	-	31,195	-
Henan Yida Tianxia Logistics Technology Co., Ltd. ("Henan Yida")	1,891	-	-	-	-	-	-	-	-	1,891	-
Shenzhen Chaojilanling Network Technology Co., Ltd.	8	-	-	-	-	-	-	-	-	8	-
Shanghai Xinbaiqin Special Vehicle Co., Ltd.	15,538	-	-	-	49	-	-	-	-	15,587	-
Shenzhen CIMC Tianyi Investment, LP.	8,971	-	-	-	-	-	-	-	-	8,971	-
Hengqin CIMC Ruide Xinchuang Innovative Venture Capital Fund, LP.	30,295	-	(134)	-	-	-	-	-	-	30,161	-

(i) As at 30 June 2019, Ningxia Changming had become subsidiary of the group.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Long-term equity investments (Continued)

(3) Long-term equity investments in associates: (Continued)

	31 December 2018	Movement in current year								30 June 2019	Impairment provisions
		Increase/ Decrease in investment	Net profit or loss adjusted by equity method	Adjustment of other comprehensive income	Other equity movement	Cash dividend declared	Currency translation differences	recognised impairment provision	Others		
Shenzhen Xinghuo Chelian Technology Co., Ltd.	340	-	-	-	-	-	-	-	-	340	-
Qingdao Port International Trade Logistics Ltd.	8,904	-	310	-	-	-	-	-	-	9,214	-
Ningbo Huaxiang Automotive New Material Technology Co., Ltd.	404	-	-	-	-	-	-	-	-	404	-
Zhenjiang Shen Xing Tai Bao Technology Co., Ltd.	1,928	330	-	-	-	-	-	-	-	2,258	-
Shenzhen Xinhuijijin Investment Partnership (Limited Partnership)	28,820	67,513	-	-	-	-	-	-	-	96,333	-
Cela S.r.L.	21,729	648	169	-	-	-	(730)	-	-	21,816	-
OOS International B.V.	3,029	-	-	-	-	-	150	-	-	3,179	-
Ningbo Mediterranean Container Yard Co., Ltd. ("Ningbo Mediterranean")	20,308	-	1,967	-	-	-	-	-	-	22,275	-
Shenzhen Digital Xiang Technology Co., Ltd.	509	-	-	-	-	-	-	-	-	509	-
Zhoushan Changhong International Ship Repair Co., Ltd. ("Zhoushan Changhong")	134,212	-	-	-	-	-	-	-	-	134,212	-
Hefei Chuangyu New Energy Technology Co., Ltd. ("Hefei Chuangyu")	2,799	3,159	(47)	-	-	-	-	-	-	5,911	-
Nantong CIMC Yike New Material Development Co., Ltd. ("Nantong Yike")	6,475	-	-	-	-	-	-	-	-	6,475	-
Shenzhen Taiziwan Shangrong Real Estate Co., Ltd. ("Shangrong Real Estate")	1,548,667	-	-	-	-	-	-	-	-	1,548,667	-
Shenzhen Taiziwan Shangtai Real Estate Co., Ltd.	-	1,620,347	-	-	-	-	-	-	-	1,620,347	-
Shanghai Yinfeng Robot Co., Ltd.	19,941	-	-	-	-	-	-	-	-	19,941	-
Jiangsu Wanjin Technology Co., Ltd.	-	12,800	-	-	-	-	-	-	-	12,800	-
CIMC Donghan (Shanghai) Shipping Co., Ltd.	-	20,873	419	-	-	-	-	-	-	21,292	-
Guizhou Yinke Environment Resource Co., Ltd.	-	14,000	-	-	-	-	-	-	-	14,000	-
Shandong South Huang city Sea Development Co., Ltd.	-	8,000	-	-	-	-	-	-	-	8,000	-
Shenzhen Bijie Smart Valley Investment and Development Co., Ltd.	-	3,200	-	-	-	-	-	-	-	3,200	-
Gngzhou Guozhao Yueshun Investment Co., Ltd.	-	16,000	-	-	-	-	-	-	-	16,000	-
Foshan Deya Standard Technique Research Center	-	50	-	-	-	-	-	-	-	50	-
	2,968,487	1,787,036	3,764	-	49	(1,080)	952	-	-	4,759,208	(2,610)

Refer to Note VI.2 for equity in associates.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Long-term equity investments (Continued)

(3) Long-term equity investments in associates (Continued):

The Group's investment ratios in Ocean En-Tech, LiHua Energy, Jiangsu Ruichen, Newtown Optoelectronics, Cadro Hydraulic, Zhongyi Xinwei, Henan Yida, Zhoushan Changhong and Shenzhen Road are all below 20%. But since the Group has appointed directors to the above mentioned associates, the Group had significant influence over them. Thus, equity investments on these associates were evaluated subsequently by equity method.

As at 30 June 2019, except for MSC and Jiuquan Cryogenic, there is no need for the Group to recognise provision for long-term equity investments in joint ventures and associates based on the provision testing result that compared the estimated recoverable amount and book value of long-term equity investments in joint ventures and associates (31 December 2018: RMB2,610,000).

17. Other equity investments

	30 June 2019	31 December 2018
Unlisted company equity		
– Bank of Communications Schroder Fund Management Co., Ltd. ("BOCM Schroder")	309,353	243,677
– China United International Rail Containers Co., Ltd. ("CR Intermodal")	355,303	445,596
– Zhuhai yunzhou-tech Co., Ltd. ("Yunzhou-Tech")	22,150	22,881
– Shanghai Shangqiao Supply Chain Service Co., Ltd. ("Shanghai Shangqiao")	30,000	30,000
– Chongqing Meixin Yishen Machinery Co., Ltd. ("Chongqing Meixin")	15,000	20,000
– Shitie Special Goods (Beijing) International Logistics Co., Ltd. ("Shitie Special Goods")	3,500	3,500
– Ningbo Beilun Donghua Container Service Co., Ltd. ("Ningbo Beilun")	1,200	1,200
– Tianjin Binhai COSCO Container Logistics Co., Ltd. ("Tianjin Binhai COSCO")	19,618	19,618
– Yueguan Advanced Manufacturing Industry (Dongguan) Equity Investment Fund (Limited Partnership) ("Yueguan Fund")	14,384	14,384
– China Railway Special Cargo Services CO.,LTD ("China Railway Special Goods")	161,563	–
Listed company equity		
– Shouchang International Enterprise Co., Ltd. ("Shouchang International")	244,285	180,884
– Otto Energy Limited	3,515	2,415
	1,179,871	984,155

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. Other equity investments (Continued)

	30 June 2019	31 December 2018
BOCM Schroder		
– Historical cost	8,125	8,125
– Accumulated changes in fair value	301,228	235,552
	309,353	243,677
CR Intermodal		
– Historical cost	380,780	380,780
– Accumulated changes in fair value	(25,447)	64,816
	355,303	445,596
Yunzhou-Tech		
– Historical cost	20,000	20,000
– Accumulated changes in fair value	2,150	2,881
	22,150	22,881
Shanghai Shangqiao		
– Historical cost	30,000	30,000
– Accumulated changes in fair value	–	–
	30,000	30,000
Chongqing Meixin		
– Historical cost	15,000	20,000
– Accumulated changes in fair value	–	–
	15,000	20,000
Shitie Special Goods		
– Historical cost	3,500	3,500
– Accumulated changes in fair value	–	–
	3,500	3,500
Ningbo Beilun		
– Historical cost	1,200	1,200
– Accumulated changes in fair value	–	–
	1,200	1,200
Tianjin Binhai COSCO		
– Historical cost	19,618	19,618
– Accumulated changes in fair value	–	–
	19,618	19,618

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. Other equity investments (Continued)

	30 June 2019	31 December 2018
Yueguan Fund		
– Historical cost	14,384	14,384
– Accumulated changes in fair value	–	–
	14,384	14,384
China Railway Special Goods		
– Historical cost	161,563	–
– Accumulated changes in fair value	–	–
	161,563	–
Shouchang International		
– Historical cost	45,038	(18,363)
– Accumulated changes in fair value	199,247	199,247
	244,285	180,884
Otto Energy Limited		
– Historical cost	5,580	5,580
– Accumulated changes in fair value	(2,065)	(3,165)
	3,515	2,415

The voting rights of the Group to the above companies are as follows:

	Voting rights
Unlisted company equity	
– BOCM Schroder	5.00%
– CR Intermodal	10.00%
– Yunzhou-Tech	1.78%
– Shanghai Shangqiao	1.67%
– Chongqing Meixin	3.89%
– Shitie Special Goods	2.50%
– Ningbo Beilun	21.00%
– Tianjin Binhai COSCO	4.50%
– Yueguan Fund	13.97%
– China Railway Special Goods	1.00%
Listed company equity	
– Shouchang International	4.36%
– Otto Energy Limited	–

The voting rights of the Group are only related to its administrative management matters. The Group does not participate in or influence the financial and operating decisions of the above companies in any way. Therefore, the Group does not have any significant influence on the above companies and recognised them as other equity investments.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Other non-current financial assets

	30 June 2019	31 December 2018
Interest rate swap (Note IV.3(3))	106,993	332,081

19. Investment properties

	Buildings and relevant land use rights	Land use rights	Total
1 January 2018	1,265,466	413,723	1,679,189
Changes in fair value	55,469	(246)	55,223
Transferred from inventories	113,176	–	113,176
Transferred from construction in progress	12,356	–	12,356
Revaluation gains upon transfers	125,314	–	125,314
Disposal	(18,981)	–	(18,981)
31 December 2018	1,552,800	413,477	1,966,277

	Buildings and relevant land use rights	Land use rights	Total
1 January 2019	1,552,800	413,477	1,966,277
Construction	24,336	1,761	26,097
Transferred from fixed assets	528	–	528
Revaluation gains upon transfers	116,819	–	116,819
Currency translation differences	3,188	–	3,188
30 June 2019	1,697,671	415,238	2,112,909

For the period from 1 January to 30 June in 2019, there is no capitalised borrowing costs in investment properties (For the period from 1 January to 30 June in 2018: Nil).

For the period from 1 January to 30 June in 2019, the impact amount of changes in fair value of investment properties on the Group's current profit or loss was RMB0 (For the period from 1 January to 30 June in 2018: RMB0).

As at 30 June 2019, the buildings with carrying amount of about RMB221,082,000 (31 December 2018: RMB226,781,000) had not been entitled the property ownership certificates due to unfinished entitling procedures. The certificate is expected to be granted in 2019 and 2020. As at 30 June 2019, the land use right with carrying amount of approximately RMB31,860,000 has not been entitled the property ownership certificates (31 December 2018: RMB31,860,000).

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Fixed assets

	30 June 2019	31 December 2018
Fixed assets (a)	23,724,120	23,180,408
Disposal of fixed assets (b)	11,062	8,329
	23,735,182	23,188,737

(a) Fixed assets

	Plants and buildings	Machinery and equipment	Office & other equipment	Motor vehicles	Offshore engineering equipment	Dock and wharf	Total
Original cost							
31 December 2018	11,861,372	10,588,052	2,445,018	1,293,282	8,075,861	1,259,977	35,523,562
Business combination	430,918	348,119	9,310	15,955	507	-	804,809
Additions	264,616	359,137	98,641	77,201	69	-	799,664
Transferred from							
construction in progress	105,294	208,975	478,723	41,097	187	-	834,276
Decrease in current period	(315,459)	(706,919)	(17,125)	(139,340)	(178,389)	-	(1,357,232)
Currency translation							
differences	(7,303)	(23,955)	(1,815)	(448)	8,522	(254)	(25,253)
30 June 2019	12,339,438	10,773,409	3,012,752	1,287,747	7,906,757	1,259,723	36,579,826
Accumulated depreciation							
31 December 2018	3,220,574	4,925,802	1,350,629	571,408	1,496,774	288,167	11,853,354
Business combination	74,839	58,383	6,618	12,683	-	-	152,523
Depreciation recognised in							
current year	179,384	393,117	72,110	85,943	144,409	29,192	904,155
Decrease in current year	(36,716)	(309,048)	(15,158)	(79,815)	(91,332)	-	(532,069)
Currency translation							
differences	(1,489)	(6,707)	(2,606)	(1,172)	1,075	(143)	(11,042)
30 June 2019	3,436,592	5,061,547	1,411,593	589,047	1,550,926	317,216	12,366,921
Impairment provisions							
31 December 2018	240,732	45,080	6,133	17,264	180,591	-	489,800
Provisions	-	-	-	-	-	-	-
Disposals	-	(1,098)	(230)	-	-	-	(1,328)
Currency translation							
differences	(24)	64	-	25	248	-	313
30 June 2019	240,708	44,046	5,903	17,289	180,839	-	488,785
Net book value							
30 June 2019	8,662,138	5,667,816	1,595,256	681,411	6,174,992	942,507	23,724,120
31 December 2018	8,400,066	5,617,170	1,088,256	704,610	6,398,496	971,810	23,180,408

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Fixed assets (Continued)

(a) Fixed assets (Continued)

As at 30 June 2019, the equipment with book value of about RMB155,475,000 (original price of RMB285,525,000) was pledged as long-term payable RMB42,330,000 (31 December 2018: RMB167,502,000 (original price of RMB:285,525,000)); The plants and buildings with book value of about RMB198,342,000 (original price of RMB14,981,000) was pledged as loan (31 December 2018: Nil). See Note IV.29 for details.

As at 30 June 2019, depreciation of fixed assets recognised amounted to RMB904,155,000 (January to June 2018: RMB805,668,000), of which RMB789,632,000, RMB15,566,000, RMB74,859,000 and RMB24,098,000 (January to June 2018: RMB674,744,000, RMB11,133,000, RMB95,562,000 and RMB24,229,000) has been charged in cost of sales, selling and distribution expenses, general and administrative expenses, research and development expenses, respectively.

As at 30 June 2019, the original cost of fixed assets transferred from construction in progress is RMB834,276,000 (January to June 2018: RMB270,682,000).

(1) Temporarily idle fixed assets

As at 30 June 2019, the carrying amount of temporarily idle buildings, machinery and equipment amounts to about RMB132,854,000 (original cost of RMB204,440,000) (31 December 2018: carrying amount of RMB207,596,000 (original cost of RMB306,162,000)). The following table presents the detail:

	Original amount	Accumulated depreciation	Impairment provisions	Carrying amount
Buildings	168,145	(46,645)	(934)	120,566
Machinery and equipment	34,131	(22,872)	–	11,259
Transportation	–	–	–	–
Office & other equipment	2,164	(1,135)	–	1,029
	204,440	(70,652)	(934)	132,854

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Fixed assets (Continued)

(a) Fixed assets (Continued)

(2) *Fixed assets with certificates of ownership unsettled*

	Book balance	Reason for pending
Factory	674,264	Put to use, certificate being in the progress
Office building	61,590	Put to use, certificate being in the progress
Workshop	150,440	Information updated, being in the progress
Dormitory and canteen	47,012	Put to use, certificate being in the progress
Warehouse	33,723	Certificate being in the progress
Others	261,928	Certificate being in the progress
Total	1,228,957	

(b) Disposal of fixed assets

	30 June 2019	31 December 2018
Buildings	100	–
Machinery and equipment	10,196	8,071
Transportation equipment	547	56
Office & other equipment	219	202
Total	11,062	8,329

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Construction in progress

(1) Construction in progress

	30 June 2019			31 December 2018		
	Book balance	Impairment provisions	Carrying amount	Book balance	Impairment provisions	Carrying amount
Vessels under construction of financing and leasing company	21,427,807	-	21,427,807	20,878,856	-	20,878,856
Raffles H273, H1284 Project	3,114,152	(1,026,052)	2,088,100	2,910,650	(1,026,214)	1,884,436
Dongguan southern CIMC Fenggang phase 1 project	216,565	-	216,565	199,405	-	199,405
Enric Low temperature plant renovation project	198,505	-	198,505	75,580	-	75,580
YZTH factory relocation project	180,156	-	180,156	139,611	-	139,611
Financial information system construction project	99,235	-	99,235	91,707	-	91,707
TAS Industrial Park Phase III Dormitory Project	60,794	-	60,794	44,220	-	44,220
Dongguan southern CIMC Fenggang phase 2 project	55,495	-	55,495	-	-	-
CIMC TianDa Transportation equipment project	43,948	-	43,948	20,310	-	20,310
Zhumadian CIMC hua jun Lighthouse project	43,445	-	43,445	59,516	-	59,516
Dongguan Southern CIMC Fenggang project	22,192	-	22,192	19,801	-	19,801
WHVS painting line upgrade project	19,941	-	19,941	25,701	-	25,701
Dongguan Multimodal Transport building project	18,688	-	18,688	18,483	-	18,483
Enric workshop construction project	18,554	-	18,554	18,532	-	18,532
Dongguan Special Vehicle Dormitory Project	17,920	-	17,920	565	-	565
TCCRC workshop renovation project	15,868	-	15,868	10,045	-	10,045
TCCIMC relocation and reconstruction project	15,524	-	15,524	13,411	-	13,411
Zhumadian CIMC hua jun production maintenance investment	15,469	-	15,469	16,193	-	16,193
Dongguan Special Vehicle Building Project	15,401	-	15,401	5,591	-	5,591
CIMCSV Side Curtain Car Project	10,026	-	10,026	4,578	-	4,578
QDCRC Plant renovation project	9,885	-	9,885	9,287	-	9,287
Modern logistic warehouse infrastructure project	8,389	-	8,389	23,423	-	23,423
Jiangsu Trailer Leasing transportation equipment renovation project	7,419	-	7,419	5,841	-	5,841
XHCIMCS production line and power facilities renovation	7,309	-	7,309	7,309	-	7,309
Jiangmen Vehicle plant renovation project	4,573	-	4,573	14,027	-	14,027
C&C Trucks production equipment project	3,579	-	3,579	3,516	-	3,516
Raffles large scale equipment (including 2000T slewing crane)	3,251	-	3,251	3,344	-	3,344
CIMCSV painting line upgrade	931	-	931	20,838	-	20,838
Dongguan CIMC Vehicles logistics equipment project	-	-	-	876	-	876
Others	26,229	(860)	25,369	550,672	(860)	549,812
Total	25,681,250	(1,026,912)	24,654,338	25,191,888	(1,027,074)	24,164,814

As at 30 June 2019, the carrying amounts of construction in progress included accumulated capitalised borrowing cost of RMB2,404,640,000 (31 December 2018: RMB2,222,614,000). The interest rate adopted for determining capitalised at borrowing cost for the current year was 5.05% (2018: 4.69%).

As at 30 June 2019, the Group has no construction in progress with restrictions in ownership (31 December 2018: Nil).

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Construction in progress (Continued)

(2) Movement of significant projects of construction in progress during the year

	Budget amount	31 December 2018	Current year additions	Transferred to fixed assets	Transferred to investment properties	30 June 2019	Proportion of expenditures incurred to budget amount (%)	Progress of construction	Cumulative capitalised interests	Including: current year capitalised interests	Interest Capitalisation rate (%)	Source of funds	Currency translation differences
Vessels under construction of financing and leasing company	27,367,678	20,878,856	514,105	-	-	21,427,807	95%	98%-100%	1,964,305	566	5.05%	Bank loan Self-funding and	34,846
Raffles H273, H1284 Project	3,135,674	2,910,650	201,037	-	-	3,114,152	95%	99%	440,335	181,913	5.05%	bank loan	2,465
Dongguan southern CIMC Fenggang phase 1 project	250,000	199,405	17,160	-	-	216,565	87%	90%	-	-	0.00%	Self-funding	-
Enric Low temperature plant renovation project	354,143	75,580	161,375	(38,450)	-	198,505	75%	75%	-	-	0.00%	Self-funding	-
YZTH factory relocation project	230,679	139,611	41,539	(994)	-	180,156	86%	92%	-	-	0.00%	Self-funding	-
Financial information system construction project	181,160	91,707	7,528	-	-	99,235	55%	85%	-	-	0.00%	Self-funding	-
TAS Industrial Park Phase III Dormitory Project	150,000	44,220	16,574	-	-	60,794	10%	50%	-	-	0.00%	Self-funding	-
Dongguan southern CIMC Fenggang phase 2 project	135,000	-	55,495	-	-	55,495	41%	60%	-	-	0.00%	Self-funding	-
CIMC TianDa Transportation equipment project	80,100	20,310	49,845	(26,207)	-	43,948	62%	62%	-	-	0.00%	Self-funding	-
Zhumadian CIMC hua jun Lighthouse project	12,968	59,516	25,400	(41,471)	-	43,445	96%	96%	-	-	0.00%	Self-funding	-
Dongguan Southern CIMC Fenggang project	25,000	19,801	2,391	-	-	22,192	89%	89%	-	-	0.00%	Self-funding	-
WHVS painting line upgrade project	35,780	25,701	121	(5,881)	-	19,941	70%	82%	-	-	0.00%	Self-funding	-
Dongguan Multimodal Transport building project	23,000	18,483	205	-	-	18,688	84%	90%	-	205	0.00%	Bank loan	-
Enric workshop construction project	290,303	18,532	22	-	-	18,554	96%	96%	-	-	0.00%	Self-funding	-
Dongguan Special Vehicle Dormitory Project	69,000	565	17,371	-	(16)	17,920	25%	51%	-	-	0.00%	Self-funding	-
TCCRC workshop renovation project	37,485	10,045	8,168	(2,345)	-	15,868	72%	72%	-	-	0.00%	Self-funding	-
TCCIMC relocation and reconstruction project	69,970	13,411	2,113	-	-	15,524	60%	60%	-	-	0.00%	Self-funding	-

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Construction in progress (Continued)

(2) Movement of significant projects of construction in progress during the year (Continued)

	Budget amount	31 December 2018	Current year additions	Transferred to fixed assets	Transferred to investment properties	30 June 2019	Proportion of expenditures incurred to budget amount (%)	Progress of construction	Cumulative capitalised interests	Including: current year capitalised interests	Interest Capitalisation rate (%)	Source of funds	Currency translation differences
Zhumadian CIMC hua jun production maintenance investment	28,791	16,193	15,825	(16,549)	-	15,469	111%	90%	-	-	0.00%	Self-funding	-
Dongguan Special Vehicle Building Project	28,190	5,591	10,946	-	(1,136)	15,401	39%	93%	-	-	0.00%	Self-funding	-
CIMCSV Side Curtain Car Project	11,670	4,578	5,448	-	-	10,026	39%	99%	-	-	0.00%	Self-funding	-
QDCRC Plant renovation project	21,755	9,287	1,553	(955)	-	9,885	77%	77%	-	-	0.00%	Self-funding	-
Mordern logistic warehouse infrastructure project	43,205	23,423	8,453	(6,912)	(16,718)	8,389	84%	93%	-	-	0.00%	Self-funding	143
Jiangsu Trailer Leasing transportation equipment renovation project	34,498	5,841	9,322	(7,744)	-	7,419	91%	91%	-	-		Self-funding	-
XHCIMCS production line and power facilities renovation	8,000	7,309	-	-	-	7,309	80%	80%	-	-	0.00%	Self-funding	-
Jiangmen Vehicle plant renovation project	20,000	14,027	197	(9,651)	-	4,573	71%	71%	-	-		Self-funding	-
C&C Trucks production equipment project	4,658	3,516	63	-	-	3,579	99%	99%	-	-	0.00%	Self-funding	-
Raffles large scale equipment (including 2000T slewing crane)	327,432	3,344	67	-	-	3,251	86%	86%	-	-	0.00%	Self-funding	(160)
CIMCSV painting line upgrade	59,600	20,838	32,859	(52,766)	-	931	90%	99%	-	-	0.00%	Self-funding	-
Dongguan CIMC Vehicles logistics equipment project	388,222	876	-	(876)	-	-	100%	100%	-	-	0.00%	Self-funding	-
Others	-	550,672	99,519	(623,475)	(528)	26,229	0%	0%	-	-	0.00%	Self-funding	41
Total		25,191,888	1,304,701	(834,276)	(18,398)	25,681,250			2,404,640	182,684			37,335

As at 30 June 2019, the group has not recognized impairment of construction in progress (31 December 2018: RMB991,878,000).

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Right-of-use assets

	Plants and buildings	Machinery and equipment	Land use rights	Motor vehicles	Offshore engineering equipment	Office & other equipment	Total
Original cost							
31 December 2018	-	-	-	-	-	-	-
Changes in accounting policies	180,613	630,105	54,105	4,395	177,831	8,095	1,055,144
1 January 2019	180,613	630,105	54,105	4,395	177,831	8,095	1,055,144
Additions	38,246	27,478	39,716	1,491	-	86	107,017
Currency translation differences	(10)	73	49	(4)	-	(3)	105
30 June 2019	218,849	657,656	93,870	5,882	177,831	8,178	1,162,266
Accumulated depreciation							
31 December 2018	-	-	-	-	-	-	-
Changes in accounting policies	-	225,529	-	-	86,960	-	312,489
1 January 2019	-	225,529	-	-	86,960	-	312,489
Additions	27,619	32,741	13,313	1,121	3,847	1,640	80,281
Currency translation differences	(3)	(7)	(3)				(13)
30 June 2019	27,616	258,263	13,313	1,121	90,807	1,640	392,757
Impairment provisions							
31 December 2018	-	-	-	-	-	-	-
Changes in accounting policies	-	-	-	-	-	-	-
1 January 2019	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-
30 June 2019	-	-	-	-	-	-	-
Net book value							
31 December 2018	-	-	-	-	-	-	-
30 June 2019	191,233	399,393	80,560	4,761	87,024	6,538	769,509

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Intangible assets

(1) Intangible assets

	Land use rights	Technical know-how and trade mark	Timber concession rights	Customer relationship	Customer contracts	Maritime use rights	Franchise rights	Total
Original cost								
31 December 2018	4,252,921	2,194,506	142,723	427,890	339,350	112,252	112,892	7,582,534
Business combination	173,179	172,068	-	38,964	-	-	69,460	453,671
Additions	34,014	94,696	-	-	-	1,042	-	129,752
Disposals	(39,867)	(15,335)	-	-	-	-	(9,817)	(65,019)
Currency translation differences	426	222	564	433	56	(606)	(3)	1,092
30 June 2019	4,420,673	2,446,157	143,287	467,287	339,406	112,688	172,532	8,102,030
Accumulated amortisation								
31 December 2018	806,615	1,308,244	34,060	270,316	248,250	33,254	15,257	2,715,996
Business combination	16,198	323	-	-	-	-	-	16,521
Additions	55,545	83,022	-	22,504	7,700	883	1,423	171,077
Disposals	(30,758)	(1,249)	-	-	-	-	(3,436)	(35,443)
Currency translation differences	126	18	134	118	55	(146)	(3)	302
30 June 2019	847,726	1,390,358	34,194	292,938	256,005	33,991	13,241	2,868,453
Impairment provisions								
31 December 2018	-	8,224	108,663	36,540	52,264	-	-	205,691
Current year provision	-	-	-	-	-	-	-	-
Currency translation differences	-	76	430	44	-	-	-	550
30 June 2019	-	8,300	109,093	36,584	52,264	-	-	206,241
Carrying amount								
30 June 2019	3,572,947	1,067,949	-	117,315	31,137	78,697	159,291	5,027,336
31 December 2018	3,446,306	878,038	-	121,034	38,836	78,998	97,635	4,660,847

For the period from January to June in 2019, amortisation expenses of intangible assets amounted to RMB171,077,000 (January to June 2018: RMB158,148,000).

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Intangible assets (Continued)

(2) As at 30 June 2019, intangible assets with pending certificates of ownership are as follows:

	Carrying amount in RMB	Reasons for unsettlement
SCIMCEL Tangkeng land use right	52,885	in the progress
SCIMCEL dormitory	1,690	in the progress
CIMC Mordern Logistic OMS	130	in the progress
Total	54,705	

After the evaluation of board of directors of the Group, the aforementioned intangible assets with unsettled certificates has no risk of impairment.

(3) As at 30 June 2019, the amount of restricted intangible assets was RMB72,397,000 (31 December 2018: Nil).

(4) As at 30 June 2019, the intangible asset with indefinite useful lives is Gas station Franchise and a trademark right, which amounted to RMB118,775,000 (31 December 2018: RMB118,961,000).

(5) Development expenditures are as follows:

	31 December 2018	Current year additions	Recognised as Intangible assets	30 June 2019
Project on vehicle technology	75,659	15,311	(47,278)	43,692
Others	23,403	367	(3,438)	20,332
	99,062	15,678	(50,716)	64,024

For the period from January to June in 2019, the Group's development expenditures amounted to RMB553,335,000 (January to June 2018: RMB340,299,000): among which RMB537,657,000 (January to June 2018: RMB327,229,000) was included in the current profits and losses, and RMB15,678,000 was capitalised as intangible assets in current year (January to June 2018: 13,070,000). As at 30 June 2019, intangible assets transferred from development expenditures within the Group accounted for 1.01% (31 December 2018: 0.34%) of the total book value of intangible assets.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Goodwill

	31 December 2018	Current year additions	Current year decrease	Currency translation differences	30 June 2019
Enric	625,401	–	–	367	625,768
Vehicles UK	336,252	–	–	1,678	337,930
TGE SA	170,556	–	–	(432)	170,124
Bassoe	132,245	–	–	–	132,245
Pteris	108,196	–	–	–	108,196
C&C Trucks	132,145	–	–	–	132,145
Hashenleng	103,530	–	–	–	103,530
Shanghai Jindun	(1) –	102,998	–	–	102,998
Shenyang Jietong	(2) –	113,804	–	–	113,804
China Fire Safety	51,265	–	–	–	51,265
Others	676,990	8,410	–	172	685,572
Sub-total	2,336,580	225,212	–	1,785	2,563,577
Less: impairment provisions					
Bassoe	132,245	–	–	–	132,245
C&C Trucks	132,145	–	–	–	132,145
Hashenleng	53,000	–	–	–	53,000
Others	64,205	–	–	154	64,359
Sub-total	381,595	–	–	154	381,749
Total	1,954,985	225,212	–	1,631	2,181,828

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Goodwill (Continued)

- (1) The goodwill arose from the equity exchange between the Group subsidiary CIMC Tian-da holding and Shanghai Jindun ("Shanghai Jindun Special Vehicle Equipment Co., Ltd").
- (2) The goodwill arose from the equity exchange between the Group subsidiary CIMC Tian-da holding and Shenyang Jietong ("Shenyang Jietong Fire Truck Co., Ltd.").
- (3) Impairment test of goodwill allocated to asset groups

The goodwill allocated to asset groups are summarised by operating segments as follows:

	30 June 2019	31 December 2018
Container asset group	128,836	126,896
Road transportation vehicles asset group	412,603	410,906
Energy and chemical & food equipment asset group	1,026,288	1,019,571
Logistics services asset group	118,194	118,194
Airport equipment asset group	390,729	173,927
Asset groups with insignificant allocation percentage of goodwill group	105,178	105,491
Total	2,181,828	1,954,985

When doing goodwill impairment test, the Group compares the carrying amount of the relevant asset or asset group combination (including goodwill) with its recoverable amount. If the recoverable amount is less than the carrying amount, the related difference is recognised in the current profit or loss (Note IV.64). The allocation of the Group's goodwill did not change during January to June in 2019.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Goodwill (Continued)

- (4) The recoverable amount of asset group and combination of asset groups is based on the 3 to 5 years budget approved by the management and is then estimated based on a fixed growth rate (as described in the table below) using the cash flow forecasting method.

The key assumption used in the significant cash generated units value-in-use calculations are as follows:

	Vehicles				C&C	
	UK	TGE SA	Bassoe	Pteris	Trucks	Hashenleng
Forecast period revenue growth rate	3%-6%	5%-10%	5%-10%	18%	5%-8%	19%
Stable period revenue growth rate	3%	2%	2%	2.33%	3%	3%
Gross profit rate	10%-11%	21%	92%	20%-26%	8%-15%	19%
Pre-tax discount rate	11%	16.4%	13.8%	13.48%	15.4%	12.94%

The management determines the growth rate and gross profit margin based on historical experience and forecasts for market development, and adopts a pre-tax interest rate that reflects the specific risk of the relevant asset group and asset group combination as the discount rate. The stable period revenue growth rate is the weighted average growth rate used by the Group to forecast the cash flow after the 3 to 5 year budget. It is consistent with the forecast data contained in the industry report and does not exceed the long-term average growth rate of each product.

25. Long-term prepaid expenses

	31 December 2018	Current year additions	Current year amortisation	Currency translation differences	30 June 2019
Yard facility expenses	3,594	1,163	(1,448)	16	3,325
Project insurance and commission	180,343	3,022	(31,284)	(230)	151,851
Improvements to fixed assets held under operating leases	36,457	14,554	(5,510)	–	45,501
Improvement of engineering vessel	42,171	188,016	(9,260)	2,379	223,306
Others	59,610	42,624	(30,050)	13	72,197
Sub-total	322,175	249,379	(77,552)	2,178	496,180
Less: impairment provisions	–	–	–	–	–
Total	322,175	249,379	(77,552)	2,178	496,180

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

26. Deferred tax assets and deferred tax liabilities

(1) The offsetting balances of deferred tax assets and liabilities offset and corresponding deductible or taxable temporary differences

	30 June 2019		31 December 2018	
	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)
Deferred tax assets:				
Provision for asset impairment	2,288,689	527,990	2,292,521	528,871
Accrued liability	706,693	154,119	690,251	150,097
Employee benefits payable	1,418,563	319,408	1,802,294	425,089
Accrued expenses	953,821	203,391	660,431	153,943
Deductible losses	3,047,864	527,959	2,754,157	466,237
Fair value changes of derivative financial instruments	76,160	16,553	2,234	559
Fair value changes of other debt investments	568	142	917	229
Intra-group unrealised revenue	35,027	8,757	84,008	21,002
Others	226,790	56,697	254,007	63,503
Sub-total	8,754,175	1,815,016	8,540,820	1,809,530
Offsetting amount	(1,101,765)	(268,807)	(1,473,052)	(368,263)
Offsetting balances	7,652,410	1,546,208	7,067,768	1,441,267
Including:				
Amount expected to be reversed within 1 year (inclusive)		319,645		618,756
Amount expected to be reversed over 1 year		1,226,563		822,511
		1,546,208		1,441,267
Deferred tax liabilities:				
Fair value changes of derivative financial instruments	(11,133)	(1,902)	(231,193)	(57,798)
Fair value changes of Investment properties	(803,726)	(196,193)	(803,726)	(196,193)
Revaluation gain through combination	(1,211,604)	(271,506)	(887,780)	(222,073)
Debt restructuring income	(1,364,848)	(341,212)	(1,364,848)	(341,212)
Gross profit of overseas projects (pay tax after completion)	(608,277)	(152,069)	(607,860)	(151,965)
Accelerated depreciation of fixed assets	(652,514)	(148,714)	(608,345)	(146,732)
Non-resident foreign companies pay dividends to the Mainland	(227,271)	(51,715)	(134,928)	(33,732)
Enterprise relocation income	(3,841,160)	(960,290)	(3,841,160)	(960,290)
Others	(40,724)	(10,182)	(377,583)	(94,396)
Sub-total	(8,761,257)	(2,133,783)	(8,857,423)	(2,204,391)
Offsetting amount	1,101,765	268,808	1,473,052	368,263
Offsetting balances	(7,659,492)	(1,864,975)	(7,384,371)	(1,836,128)
Including:				
Amount expected to be reversed within 1 year (inclusive)		(125,990)		(319,605)
Amount expected to be reversed over 1 year over 1 year		(1,738,985)		(1,516,523)
		(1,864,975)		(1,836,128)

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

26. Deferred tax assets and deferred tax liabilities (Continued)

(2) Unrecognised deferred tax assets

	30 June 2019	31 December 2018
Deductible losses	2,352,965	2,158,143
Impairment losses of SOE	367,116	367,116
Impairment losses of timber concession rights	24,165	24,165
Others	80,763	80,763
Total	2,825,009	2,630,187

(3) Maturity of deductible losses that are not recognised as deferred tax assets

	30 June 2019	31 December 2018	Note
2019	376,958	332,527	
2020	664,648	664,648	
2021	441,084	441,084	
2022	222,567	222,567	Note 1
2023	1,221,595	1,221,595	
After 2023	6,922,370	6,922,370	
Total	9,849,222	9,804,791	

Note 1: At 30 June 2018 and 2019, unrecognised deferred tax assets aged over 5 years (inclusive) arising from deductible tax losses resulted from foreign subsidiaries' operating losses. Deductible tax losses generated from Hong Kong, the United States of America, the United Kingdom of Great Britain and Australia can be offset with future profit indefinitely; deductible tax losses generated from the Netherlands can be offset in the subsequent nine years.

As at 30 June 2019, the Group is subject to an income tax on the difference of tax rates if its subsidiaries in Hong Kong and overseas decide to distribute dividends to the shareholders in mainland China. The temporary difference arising from the undistributed profits of such subsidiaries is approximately RMB4,776,097,000 (31 December 2018: RMB4,679,695,000). Since the Group can control the dividend distribution policy of its subsidiaries and has decided not to distribute dividends in the foreseeable future, the deferred income tax liabilities on such undistributed profits was not recognised.

The Group had no unrecognised deferred tax liabilities other than the mentioned above.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

27. Other non-current assets

	30 June 2019	31 December 2018
Prepayment for equity acquisition (i)	–	354,540
Prepayment for equipment	7,263	7,265
Prepayment for land use right	6,956	6,956
Prepayment for construction	–	1,145
Others	16,614	21,848
Total	30,833	391,754

- (i) On 31 July 2018 and 19 October 2018, CIMC TianDa, a subsidiary of the Group, entered into the acquisition of 60% of the equity interest in Shenyang Jietong Fire Truck Co., Ltd. and the 100% of the equity interest in Shanghai Jindun Special Vehicle Equipment Co., Ltd to acquire respectively. Pursuant to Equity Transfer Agreement, CIMC TianDa has paid a total of RMB354,540,000 in advance for acquisition of subsidiaries. As at 30 June 2019, the transactions were completed.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

28. PROVISION FOR ASSET IMPAIRMENT

	31 December 2018	Current period additions	Current period decrease		Currency translation difference	30 June 2019
			Reversal	Write-off		
Provision for bad debts of accounts receivables	863,462	52,911	(30,312)	(23,277)	1,179	863,963
Provision for bad debts of other receivables	425,129	808	(3,632)	(3,811)	(36)	418,458
Provision for bad debts of long-term receivables (including non-current assets due within one year)	1,060,467	41,111	(13,955)	–	638	1,088,261
Impairment provisions of contract assets	37,208	3,867	–	(25,552)	35	15,558
Sub-total	2,386,266	98,697	(47,899)	(52,640)	1,816	2,386,240
Provision for bad debts of advances to suppliers	41,444	–	(13,947)	13,732	(172)	41,057
Provision for impairment of inventories and impairment of costs incurred to fulfil a contract	1,330,358	25,349	(11,531)	(15,039)	(1,887)	1,327,250
Impairment provisions of long-term equity investments	2,610	–	–	–	–	2,610
Impairment provisions of fixed assets	489,800	–	–	(1,328)	313	488,785
Impairment provisions of construction in progress	1,027,074	–	–	–	(162)	1,026,912
Impairment provisions of intangible assets	205,691	–	–	–	550	206,241
Impairment provisions of goodwill	381,595	–	–	–	154	381,749
Sub-total	3,478,572	25,349	(25,478)	(2,635)	(1,204)	3,474,604
Total	5,864,838	124,046	(73,377)	(55,275)	612	5,860,844

Please refer to the respective notes of the assets for reasons of the provision.

29. Restricted assets

As at 30 June 2019, assets with restrictions in their ownership are as follows:

	Notes	31 December 2018	Current year additions	Current year decrease	Currency translation differences	30 June 2019
– Cash at bank and on hand	IV.1	1,197,813	344,746	(279,634)	79	1,263,004
– Notes receivables	IV.4	82,963	75,108	(67,616)	–	90,455
– Receivables Financing	IV.6	118,026	40,918	(118,026)	–	40,918
– Inventories	IV.9	–	558,460	–	–	558,460
– Long-term receivables	IV.15	8,175,480	–	–	–	8,175,480
– Fixed assets	IV.20	167,502	186,315	–	–	353,817
– Intangible assets	IV.23	–	72,397	–	–	72,397
Total		9,741,784	1,277,944	(465,276)	79	10,554,531

Long-term receivables are used as collateral for mortgage loan. Notes receivables are used for rediscounting, pledging for letter of guarantee and pledging for pool of notes. Refer to Note IV.20 for fixed assets with restrictions which are used as collateral for long term payables. Refer to Note IV.30 for details of short-term pledged borrowings. The restricted cash at bank and on hand were security deposits, and deposits in the People's Bank of China of Finance Company.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. Short-term borrowings

(1) Classification of short-term borrowings:

	Notes	30 June 2019	31 December 2018
Guaranteed	(a)		
USD		452,703	902,830
RMB		1,168,454	947,955
EUR		24,624	372,405
Sub-total		1,645,781	2,223,190
Pledged	(b)		
RMB		19,595	67,900
Unsecured			
USD		13,534,197	12,613,997
EUR		793,789	349,224
GBP		88,556	62,550
RMB		7,171,039	4,358,170
AUD		2,167	1,540
HKD		64,215	45,990
Others		52,869	–
Sub-total		21,706,832	17,431,471
Mortgage			
RMB		384,100	–
Rediscounted notes			
RMB		4,825	44,800
Discounted notes			
RMB		40,918	130,860
Total		23,802,051	19,898,221

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. Short-term borrowings (Continued)

(1) Classification of short-term borrowings (Continued)

- (a) As at 30 June 2019, guaranteed borrowings of the Group consisted of the followings: subsidiary CIMC Albert Zigler GmbH had a loan of EUR 2,000,000 (equivalent to RMB15,637,000) guaranteed by the Company; subsidiary Hongxin Berg had a loan of RMB109,000,000 guaranteed by subsidiary CIMC financing and leasing; subsidiary C&C Trucks had a loan of RMB760,000,000 guaranteed by the Company; subsidiary C&C Trucks marketing had a loan of RMB50,000,000 guaranteed by subsidiary the company; subsidiary CIMC Raffles had a loan of RMB169,954,000, USD3,638,000 (equivalent to RMB25,005,000) guaranteed by subsidiary CIMC Raffles Marine Engineering (Singapore) Pte Ltd.; subsidiary CIMC Vehicle Investment Holdings Co.,Ltd. had a loan of EUR 1,150,000 (equivalent to RMB8,987,000), USD62,230,000 (equivalent to RMB427,698,000) guaranteed by subsidiary the Vehicle Group; subsidiary Liangshan Dongyue had a loan of RMB29,500,000 guaranteed by subsidiary the Vehicle Group; subsidiary Huajun Zhuzao had a loan of RMB50,000,000 guaranteed by subsidiary the Vehicle Group.
- (b) As at 30 June 2019, the pledged loans of the Group was the loans of CIMC Raffles pledged with Bank Commercial bill from Kunlun Bank Co., Ltd., amounting to RMB19,595,000.
- (c) As at 30 June 2019, subsidiary Shanghai Jindun had a loan of RMB95,400,000 mortgaged from Shanghai Bank with fixed and intangible assets; subsidiary Shenyang Jietong had a loan of RMB175,000,000 mortgaged from Jiaotong Bank with buildings and land; subsidiary Enric had a loan of RMB113,700,000 mortgaged from Ningxia Bank with intangible assets.
- (d) As at 30 June 2019, the Group had held the notes that have been discounted but not yet matured to the People's Bank of China for a rediscount amount of RMB4,825,000 with a rediscount rate of 2.25% (2018: 2.25%).
- (e) As at 30 June 2019, there was no short-term borrowings owed to shareholders holding more than 5% (inclusive) of the voting rights of the Company or related parties.
- (f) As at 30 June 2019, the interest rate of short term borrowing ranged from 1.30% to 7.60% (31 December 2018: 1.40% to 6.40%).

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31. Notes payables

	30 June 2019	31 December 2018
Bank acceptance notes	1,894,558	1,572,287
Trade acceptance notes	354,117	317,498
Total	2,248,675	1,889,785

The above notes payables are due within one year.

32. Accounts payables

	30 June 2019	31 December 2018
Due to raw materials suppliers	9,994,676	10,758,110
Integrated logistics service charges	579,532	598,652
Project contract charges	986,241	797,069
Project procurement charges	103,843	227,014
Due to equipment suppliers	482,461	627,542
Transportation charges	90,360	98,615
Processing charges	57,328	31,264
Others	87,461	72,562
Total	12,381,902	13,210,828

(1) The aging of accounts payables according to the date of its entry is as follows:

	30 June 2019	31 December 2018
Within 1 year (inclusive)	10,728,463	12,532,684
1 to 2 years (inclusive)	1,268,402	413,234
2 to 3 years (inclusive)	176,023	60,703
Over 3 years	209,014	204,207
Total	12,381,902	13,210,828

As at 30 June 2019, accounts payables over 1 year with a carrying amount of RMB1,653,439,000 (31 December 2018: RMB678,144,000) are mainly payables related to offshore engineering business and energy and chemical business. Since the production cycle of the offshore business engineering project and energy and chemical business is usually more than one year, the payables have not yet been settled.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32. Accounts payables (Continued)

(2) As at 30 June 2019, there was no accounts payables owed to shareholders holding more than 5% (inclusive) of the voting rights of the Company. Accounts payables owed to related parties are as follows:

Company name	Relationship with the Group	30 June 2019		31 December 2018	
		Amount	% of total balance	Amount	% of total balance
Country Garden and its subsidiaries	Minority shareholders of subsidiaries	38,509	0.31%	-	-
Qingchen Bamboo	Associates	36,398	0.29%	2,459	0.02%
Shaanxi Zhongqi	Minority shareholders of subsidiaries	3,359	0.03%	-	-
Ningguo guangshen	Associates	20,173	0.16%	1,572	0.01%
Xuzhou CIMC Wood	Associates	12,494	0.10%	-	-
Zhongce Rubber	Minority shareholders of subsidiaries	6,438	0.05%	-	-
Zhejiang Xinlong Bamboo	Associates	8,871	0.07%	-	-
SUMITOMO CORPORATION	Minority shareholders of subsidiaries	2,989	0.02%	-	-
Y&C Engine	Joint venture	1,086	0.01%	70,814	0.54%
Shanghai Shenyi	Joint venture	291	0.00%	1,299	0.01%
Ningbo Mediterranean	Associates	-	-	5,993	0.05%
Senjv Jiangmen	Associates	-	-	1,211	0.01%
Qingdao Port Lianhua	Associates	-	-	632	0.00%
Other related parties		2,393	0.02%	668	0.00%
Sub-total		133,001	1.06%	84,648	0.64%

33. Advances from customers

(1) Advances from customers

	30 June 2019	31 December 2018
Rental advances	57,814	132,001

(2) As at 30 June 2019, there is no advanced receipts from those who hold more than 5% (inclusive) of the voting rights or related parties (2018: Nil).

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

34. Contract liabilities

	30 June 2019	31 December 2018
Advances for goods	5,882,366	4,916,865
Advances for construction	733,435	58,964
Advances for property	1,481,078	1,842,577
Advances for trade and logistics	50,901	433,682
Others	167,319	–
Total	8,315,099	7,252,088

As at 30 June 2019, there was no contract liabilities owed to shareholders holding more than 5% (inclusive) of the voting rights of Company. Contract liabilities owed to related parties are as follows:

Company name	Relationship with the Group	30 June 2019		31 December 2018	
		Amount	% of total balance	Amount	% of total balance
Zhoushan Changhong International Ship Repair Co., Ltd.	Associates	11,384	0.14%	–	–
Ningbo Meishan Bonded Port Zone Chuangzhi Liancheng Investment Management Partnership (Limited Partnership)	Joint venture	1,300	0.02%	–	–
Hangzhou Mapping Investment Management Partnership (Limited Partnership)	Joint venture	780	0.01%	–	–
Beijing Bowei Aviation Facilities Management Co., Ltd.	Subsidiary of significant shareholder	65	0.00%	–	–
Y&C Engine	Joint venture	2	0.00%	–	–
Tianzhu International	Associates	–	–	32	0.00%
Total		13,531	0.16%	32	0.00%

35. Employee benefits payable

	Note	30 June 2019	31 December 2018
Short-term wages	(1)	2,728,649	3,067,102
Defined contribution plans	(2)	27,092	28,547
Dismission welfare	(3)	683	1,169
		2,756,424	3,096,818

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

35. Employee benefits payable (Continued)

(1) Short-term wages

	31 December 2018	Current year additions	Current year decrease	Currency translation differences	30 June 2019
Wages and salaries, bonuses, allowances and subsidies	2,568,211	3,143,545	(3,477,865)	757	2,234,648
Profit-sharing and senior management bonus	367,010	-	(23,934)	-	343,076
Housing funds	23,905	106,483	(106,729)	(7)	23,652
Labor union funds and employee education funds	59,115	24,382	(26,936)	15	56,576
Social security contributions and others	9,682	96,551	(96,541)	1	9,693
Including: Medical insurance	5,050	82,118	(82,257)	1	4,912
Work injury insurance	1,974	6,917	(6,795)	-	2,097
Maternity insurance	2,658	7,516	(7,489)	-	2,685
Other short-term wages	39,179	415,077	(393,278)	26	61,004
Total	3,067,102	3,786,038	(4,125,283)	792	2,728,649

(2) Defined contribution plans

	31 December 2018	Current year additions	Current year decrease	Currency translation differences	30 June 2019
Basic pensions	25,420	220,645	(223,293)	73	22,845
Unemployment insurance	2,503	6,286	(5,904)	-	2,885
Enterprise annuities	624	3,353	(2,618)	3	1,362
Total	28,547	230,284	(231,815)	76	27,092

(3) Dismissal welfare

	30 June 2019	31 December 2018
Others (i)	683	1,169

(i) As at 30 June 2019, the Group provide other compensation amounting to RMB683,000 to compensate for the termination of employment relationship.

Refer to Note IX for cash-settled share-based payment.

Salaries, bonuses, allowances and subsidies shall be the Group's performance-related bonuses based on the Group's annual performance assessment plan and results of the Group, except for the amount of wages accrued for current month but to be paid next month. According to the requirement of the performance assessment plan, annual accrued bonus would be paid over three years based on the percentage determined by the management; therefore, there was a balance of such accrued bonus at the end of the year.

Enterprise annuity plan is established to safeguard the employee's standard of living after retirement. Every year, companies pay 3% of the total annual wages, and individuals pay 1% of the base. Employees who meet the conditions can choose to draw 0% to 100% of the annuities all at once or in installments based on their length of service. Besides, the fund is managed by hand, when a loss is reported or under special conditions, the payment can be suspended. There is no need to make a supplementary payment.

Profit-sharing and senior management bonus is determined on the assessment of certain key performance index. The above bonus is proposed by Chief Executive Officer of the Group and the payment is subject to review and approval by board chairman and vice board chairman of the Group. The balance was the unpaid Profit-sharing and senior management bonus accrued in prior years.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

36. Taxes payable

	30 June 2019	31 December 2018
Value-added-tax payable	266,490	279,663
Corporate income tax payable	395,499	1,031,831
Withholding individual income tax	32,036	25,208
City maintenance and construction tax payable	21,527	40,387
Educational surcharge payable	15,501	28,804
Land appreciation tax	642,304	689,927
Others	101,079	98,265
Total	1,474,436	2,194,085

37. Other payables

(1) Other payables

	Note	30 June 2019	31 December 2018
Advance received		3,246,603	2,576,594
Amount due to minority shareholders	(3)	2,799,049	2,217,676
Accruals		1,881,842	1,976,076
Quality guarantees		590,622	411,952
Transportation expenses		222,799	323,744
Acquisition consideration payables		497,304	–
Restructuring provisions		216,839	216,839
Restricted stock repurchase		110,425	144,977
Equipment or land use rights		51,985	64,580
Insurances		37,447	27,893
Royalties		498	7,323
Housing maintenance fees		931	6,938
Professional and training fees		9,268	5,537
External commission		17,220	2,454
Interest Payable		424,349	540,524
Including: Interest of redemption rights of strategic investors	IV.46	–	299,969
Interest of short-term borrowings		44,273	51,000
Interest of corporate bonds		296,149	108,179
Interest of long-term borrowings		83,927	81,376
Dividends due to minority shareholders		48,891	63,088
Dividends due to common shareholders		237,695	–
Others		967,993	750,318
Total		11,361,760	9,336,513

(2) Significant other payables aged over one year mostly consist of unsettled quality guarantees and various deposits.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. Other payables (Continued)

(3) As at 30 June 2019, there was no other payables owed to shareholders holding more than 5% (inclusive) of the voting rights of Company. Other payables owed to related parties are as follows:

Company name	Relationship with the Group	30 June 2019		31 December 2018	
		Amount	% of total balance	Amount	% of total balance
Country Garden Real Estate Group Co., Ltd. ("Country Garden Real Estate")	Minority shareholder of subsidiary	1,754,527	15.44%	2,193,807	23.50%
Shenzhen Weixin Soft	Minority shareholder of subsidiary	1,025,388	9.02%	–	–
Shenzhen Taizhwan Shangrong Runyu Real Estate	Associate	588,000	5.18%	–	–
Zhengjiang CIMC Runyu Real Estate Co., Ltd.	Associate	35,719	0.31%	–	–
Shanghai Fengyang	Joint venture	34,204	0.30%	–	–
Qingdao Port International Trade and Logistics	Associate	28,041	0.25%	–	–
Xinyang wood	Associate	13,000	0.11%	–	–
LiHua Energy	Associate	–	–	33,605	0.36%
Gasfin	Minority shareholder of subsidiary	19,134	0.17%	23,869	0.26%
Ningxia Changming (i)	Associate	–	–	11,900	0.13%
Y&C Engine	Joint venture	–	–	7,605	0.08%
Ningbo Mediterranean	Associate	–	–	4,000	0.04%
Zhongyi Xinwei	Associate	–	–	3,500	0.04%
OOS-International B.V.	Associate	–	–	1,603	0.02%
Other related parties		660	0.01%	335	0.00%
Total		3,498,673	30.79%	2,280,224	24.43%

(i) As at 30 June 2019, Ningxia Changming has become subsidiary of the group.

38. Provisions

Note	31 December 2018	Current period additions	Current period payment	Current period reversal	Currency translation differences	30 June 2019
Product warranties (1)	945,540	207,403	(145,214)	(48,924)	617	959,422
Relocation compensation	104,522	–	–	–	–	104,522
Loss of pending actions	4,315	–	(3,460)	(503)	–	352
Others (2)	28,897	76,241	(12,450)	(21)	1,202	93,869
Total	1,083,274	283,644	(161,124)	(49,448)	1,819	1,158,165

(1) The Group provides after-sales repair warranty to the customers, ranging from two to seven years for containers, one year for trailers, one to seven years for tank equipments, one to two years for airport ground facilities and one year for offshore business after delivery of vessels. The Group will provide repair and maintenance services in accordance with sales contracts during the warranty period in the event of any non-accidental breakdown or quality problems. The balance of "Provisions – Warranties for product quality" represents the Group's estimated obligation for such warranties of products sold out during the year and in the previous fiscal years.

(2) HI, one of the subsidiaries, provides the guarantee for the banking loans by which the customers buy vehicle products from HI. HI would accrue a provision for the ending balance of the loan guarantee, considering the credit quality.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

39. Current portion of non-current liabilities

The Group's current portion of non-current liabilities are analysed by categories as follows:

	Note	30 June 2019	31 December 2018
Current portion of long-term borrowings	IV.41		
– Unsecured		1,392,229	3,853,624
– Mortgaged		–	1,460,417
– Guaranteed		105,857	279,708
		1,498,086	5,593,749
Current portion of long-term payables	IV.44		
Finance lease payables		–	83,384
Less: unrealised financing expense		–	(8,585)
Finance lease payables – net		–	74,799
Others		4,907	2,128
		4,907	76,927
Lease liabilities due within one year	IV.43	147,689	–
Debentures payable due within one year	IV.42	7,986,500	7,986,500
Deferred income	IV.45	254,201	398,872
Others		–	19,553
		9,891,383	14,075,601

40. Other current liabilities

	Note	30 June 2019	31 December 2018
Super & short-term commercial paper issued by the Group	(1)	–	1,000,000
Others	(2)	93,914	24,221
		93,914	1,024,221

(1) The Company issued a total of 5 ultra short-term financing bonds in 2018. The amount of the first issue was RMB1 billion, with an annual interest rate of 4.3%, and the issue period was 125 days; the amount of the second issue was RMB1 billion, with an annual interest rate of 4.25%, and the issue period was 112 days; the amount of the third issue was RMB2 billion, with an annual interest rate of 4.10%, and the issue period was 125 days; the amount of the fourth issue was RMB1 billion, with an annual interest rate of 2.75%, and the period was 44 days; the amount of the fifth issue was RMB1 billion, and the issue period was 180 days. In 2018, the issue price and face value of each ultra short-term financing bonds were RMB100, and the principal and interest were repaid at maturity. There is no guarantee and the issue was for institutional investors in the inter-bank bond market. All the five ultra short-term financing bonds are redeemed before 30 June 2019.

(2) Others are mainly stay – recognition tax.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

41. Long-term borrowings

(1) Classification of long-term borrowings

	Note	30 June 2019	31 December 2018
Bank borrowings			
– Unsecured		24,311,966	6,343,416
– Mortgaged	(i)	4,677,653	4,968,336
– Guaranteed	(ii)	214,077	20,051,770
– Pledged	(iii)	114,540	–
		29,318,236	31,363,522
Less: current portion of long-term borrowings			
– Unsecured		(1,392,229)	(3,853,624)
– Mortgaged	(i)	–	(1,460,417)
– Guaranteed	(ii)	(105,857)	(279,708)
		(1,498,086)	(5,593,749)
Total		27,820,150	25,769,773

(i) As at 30 June 2019, the Group's long-term mortgaged borrowings were comprised of the followings: Subsidiary CIMC Chancheng borrowed RMB62,601,000 from the bank with its inventories and borrowed RMB100,106,000 from the bank with its inventories and fixed assets; Subsidiary CIMC financing and leasing borrowed USD656,748,000 (equivalent to RMB4,514,946,000) from the bank, using the contractual object of its finance lease as collateral.

(ii) As at 30 June 2019, the Group's long-term guaranteed borrowings were comprised of the followings: guaranteed borrowings of subsidiary Gansu CIMC Huajun Vehicle Co., Ltd. guaranteed by HI amount to RMB16,700,000; The guaranteed loan of subsidiary CIMC Financing and Leasing guaranteed by CIMC HK amounted to USD15,398,000 (equivalent to RMB105,857,000); The guaranteed loan of subsidiary Hongxin Berg guaranteed by CIMC Financing and Leasing amount to RMB21,820,000; The guaranteed loan of subsidiary Zhumadian CIMC Huajun Casting Co. Ltd. guaranteed by HI amount to RMB69,700,000.

(iii) As at 30 June 2019, the pledged borrowing of the Group was the borrowing of CIMC Tian-da Holding pledged with its subsidiary equity from the bank, amounting to RMB114,540,000.

(2) No amount due to the shareholders who hold more than 5% (inclusive) of the voting rights of the Company or due to related parties is included in the above balance of long-term borrowings (31 December 2018: Nil).

(3) As at 30 June 2019, the interest rate of long-term borrowings ranged from 1.20% to 7.13% (31 December 2018: 1.20% to 7.13%).

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Debentures payable

	Note	30 June 2019	31 December 2018
Medium-term notes	(1)	11,986,500	9,986,500
Convertible bond	(2)	20,152	19,275
Less: debentures payable due within one year		(7,986,500)	(7,986,500)
Total		4,020,152	2,019,275

(1) Related information is as follows:

Debenture name	Par value	Issuance date	Maturity	Issuance amount
16 CIMC MTN001 (i)	3,500,000	2016/8/11	3 years	3,500,000
16 CIMC MTN002 (i)	2,500,000	2016/8/22	3 years	2,500,000
16 CIMC MTN003 (ii)	2,000,000	2016/10/17	3+N years	1,986,500
18 CIMC MTN001 (iii)	2,000,000	2018/10/15	3 years	2,000,000
19 CIMC MTN001 (iv)	2,000,000	2019/4/15	3 years	2,000,000
Total	12,000,000			11,986,500

- (i) The Company issued medium-term notes (MTN) with amount of RMB3.5 billion on 11 August 2016; with par value and issue price of RMB100 respectively per note and fixed interest rate of 3.07% per annum. Interest is to be paid on 11 August each year in the arrears until redemption and par value to be paid on 11 August 2019. As at 22 August 2016, the Company made the second issue with amount of RMB2.5 billion with par value and issue price of RMB100 respectively per note and fixed interest rate of 3.15% per annum was successfully issued publicly. Interest is to be paid on 22 August each year in the arrears until redemption and par value to be paid on 22 August 2019. The notes are unsecured and targets institutional investors in the national inter-bank market.
- (ii) As at 17 October 2016, the Company issued medium-term notes with amount of RMB2 billion at face value. The net amount after deducting the issue fee was RMB1,986,500,000. The first three interest-bearing years are accrued at an interest rate of 3.89% per annum and are paid annually from 14 October, 2017 and the Company can choose a deferred interest payment. From the fourth interest-bearing year, the coupon rate is reset every 3 years. The medium-term notes have no fixed expiry dates and may be redeemed by the Company on or after 14 October, 2019 at their nominal value, together with a payment of any accrued, unpaid or deferred interest. Before the settlement of deferred interest (including the interest of deferred interest), the issuer can not distribute dividend, reduce capital or any other payment to securities that are inferior to the midterm notes. As a result of the holder's protection clause, without the waiver of the note holder, the Company is required to repay the principal and interest if the Company and subsidiaries that it hold is more than 80% equity has failed to settle any financial institution loans due or exceed the agreed amount. Therefore, the medium term notes are treated as liabilities. On 8 October 2018, the Company issued the announcement that the above-mentioned medium-term notes are due for payment on 17 October, 2019.
- (iii) The Company issued medium-term notes with amount of RMB2 billion on 15 October 2018; with par value and issue price of RMB100 respectively per note and fixed interest rate of 4.29% per annum. Interest is to be paid on 17 October each year in the arrears until redemption and par value to be paid on 17 October 2021. The notes are unsecured and targets institutional investors in the national inter-bank market.
- (iv) The Company issued medium-term notes (MTN) with amount of RMB2 billion on 15 April 2019, with par value and issue price of RMB100 respectively per note and fixed interest rate of 4.05% per annum. Interest is to be paid on 15 April each year in the arrears until redemption and par value to be paid on 15 April 2022. The notes are unsecured and targets institutional investors in the national inter-bank market.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Debentures payable (Continued)

(2) Convertible bonds

CIMC-TianDa Holdings Co., Ltd ("CIMC TianDa", formerly known as China Fire Safety Enterprise Group Limited ("China Fire Safety")), a subsidiary of the Group, issued convertible bonds with aggregate principal amount of RMB2,093,133,000 on 23 April 2018, to satisfy part of the consideration for the conversion agreement (Note V.1(2)). The convertible bonds are to be matured on 22 April 2048. They bear interest from and including the issue date at 0.1% (the effective rate was 10.64%) per annum, payable annually in arrear on each anniversary from the issue date until the conversion or redemption. Subject to the terms and condition of the convertible bonds, each bondholders has the right to convert the bonds into shares of CIMC TianDa at any time from the issue date to maturity date, at a conversion price of RMB0.3111 per share (the "Initial Conversion Price", HKD0.366 per share at the agreed fixed exchange rate of HKD1: RMB0.85).

The estimated fair value of the convertible bonds issued, as calculated using the Binomial Pricing Model, was approximately RMB2,177,015,000 at the date of issue and have been split between the liability element and an equity component. In 2018, convertible bonds with an aggregate principal value of RMB699,975,000 has been converted into shares of CIMC TianDa at the initial conversion price. The value of the liability component of the convertible bonds is as follows:

	Held by the Group	Held by other third party	Total
Fair value of the convertible bonds at date of issue	1,603,110	573,905	2,177,015
Equity component	(1,515,237)	(542,447)	(2,057,684)
Liability component at date of issue	87,873	31,458	119,331
Conversion into shares of CIMC TianDa	(26,675)	(13,325)	(40,000)
Interest charged	8,094	2,410	10,504
Interest payable	(1,285)	(391)	(1,676)
Liability component at 30 June 2019	68,007	20,152	88,159

The parameters used in the valuation model at the date of issuance are as follows:

Share price	RMB0.3230
Conversion price	RMB0.3111
Expected volatility	51%
Expected life	30 years
Risk free rate	4.07%
Expected dividend yield	Nil

As at 30 June 2019, CIMC TianDa recognised a liability component of the convertible bonds of approximately RMB88,159,000; the Group recognised a debentures payables of approximately RMB20,152,000.

43. Lease liabilities

	30 June 2019	31 December 2018
Lease liabilities	388,131	–
Less: non-current liabilities due within one year	147,689	–
Total	240,442	–

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

44. Long-term payables

	30 June 2019	31 December 2018
Finance lease payables	–	43,909
Less: unrealised financing expenses	–	(3,634)
Finance lease payables – net	–	40,275
Deposits payable	171,924	187,631
Others	14,697	8,685
Total	186,621	236,591

(1) Details of finance lease payables

As at 30 June 2019, the total future minimum lease payments under finance lease, 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), were as follows:

Minimum lease payments	30 June 2019	31 December 2018
Within 1 year (inclusive)	–	83,384
Over 1 year but within 2 years (inclusive)	–	7,442
Over 2 years but within 3 years (inclusive)	–	9,355
Over 3 years	–	27,112
Sub-total	–	127,293
Less: unrecognised finance expenses	–	(12,219)
Total	–	115,074

The Group had no finance lease payables guaranteed by independent third party during the period.

45. Deferred income

	Note	31 December 2018	Current period additions	Current period decrease	30 June 2019	Reason
Government grants	(1)	1,369,749	65,527	(171,251)	1,264,025	Government Grants received, to be recognised in future periods
Others		716	–	(164)	552	Outright sale of operating leasing receivables, to be recognised in future periods
Sub-total		1,370,465	65,527	(171,415)	1,264,577	
Less: deferred income due within one year		(398,872)	(3,601)	148,272	(254,201)	
Total		971,593	61,926	(23,143)	1,010,376	

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

45. Deferred income (Continued)

(1) Government grants

	31 December 2018	Increase in the current period	Other income	30 June 2019	Asset related/ Income related
YZTH relocation compensation	398,872	3,601	(148,272)	254,201	Asset related
Yantai Raffles National Development and Reform Commission on the release of industrial upgrading project budget report	200,000	–	–	200,000	Asset related
Eric relocation compensation	169,988	–	(3,566)	166,422	Asset related
Eric new factory government grants	73,458	–	(1,735)	71,723	Asset related
CIMC Offshore Holdings natural gas hydrate drilling and mining equipment research and development project	47,759	–	–	47,759	Income related
CIMC Offshore Holdings marine engineering intelligent key technology research and system development project	43,245	–	–	43,245	Income related
Shaanxi CIMC Vehicles Industry Garden construction grants	42,900	–	(135)	42,765	Asset related
Ningbo Container Manufacture industry support funds	38,000	–	–	38,000	Asset related
TAS industrial base project	26,969	–	(701)	26,268	Asset related
C&C Trucks government build donation	26,397	–	(462)	25,935	Asset related
QDCRC world bank foaming equipment project	25,226	–	(1,155)	24,071	Asset related
Shenyang Jietong relocation compensation	–	16,772	(34)	16,738	Asset related
EMA deep-water semi-submersible support platform project	15,725	–	(44)	15,681	Asset related
Yantai Raffles Marine Engineering Equipment Testing and Testing	15,222	–	(740)	14,482	Asset related
QDSCR world bank foaming equipment project	12,352	–	(566)	11,786	Asset related
Taicang CIMC Special Logistics Equipment Co. Ltd grant project	10,788	–	(151)	10,637	Asset related
Yantai Raffles Seventh Generation Super Deep-water Drilling Platform (Boat) Innovation Special	–	10,647	–	10,647	Asset related
MEA received the special fund/cloud platform project of the independent	10,301	–	(3,670)	6,631	Asset related
TCCIMC land compensation	9,337	–	(131)	9,206	Income related
XHCIMCS Zhujiang river bank advanced equipment manufacturing special fund	8,440	–	–	8,440	Asset related
CQLE Land grant fee refund	7,620	–	(100)	7,520	Income related

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

45. Deferred income (Continued)

(1) Government grants (Continued)

	31 December 2018	Increase in the current period	Other income	30 June 2019	Asset related/ Income related
Yantai Raffles Marine Equipment Virtual Reality Training R&D Center	7,212	–	(350)	6,862	Asset related
High-end marine engineering equipment innovation capacity building project	7,000	–	–	7,000	Asset related
NTCIMCS major achievements transformation project	6,681	–	–	6,681	Asset related
Zhenhua Group Drop and Pull Transport program	6,080	–	(536)	5,544	Asset related
CIMC Offshore Holdings offshore test platform project	5,844	–	–	5,844	Income related
TAS information technology development special fund	5,356	–	(362)	4,994	Asset related
MEA-other	5,218	–	(669)	4,549	Asset related
Enric's green platform for liquefied gas storage and transportation equipment based on reduced design ("green manufacturing")	5,200	–	–	5,200	Asset related
Shenyang Jietong technical transformation project	–	4,935	(52)	4,883	Asset related
Shenzhen Super Luxury Yacht R&D Design Laboratory Project	4,003	–	(485)	3,518	Asset related
Land supporting funds and technical R&D funds of Shandong vehicles	3,820	–	(112)	3,708	Asset related
Jiajing Technology key Industry Technology Research Institute technical support	3,786	–	(3,054)	732	Asset related
MEA special funds to support industrial innovation	3,680	–	(41)	3,639	Asset related
A variety of communication interface special equipment controller and system industrialization project	3,180	–	(645)	2,535	Asset related
Shenzhen Star Base Equipment and Technology Engineering Laboratory Project	3,083	–	(500)	2,583	Asset related
Transformation project of high-tech in Jiangsu Province of Yangzhou Runyang	1,804	–	(57)	1,747	Asset related
C&C Truck equipment finance lease subsidies	1,488	–	(263)	1,225	Asset related
TAS technology development fund	692	–	(49)	643	Asset related
Others	113,023	29,572	(2,614)	139,981	Asset related/ Income related
	1,369,749	65,527	(171,251)	1,264,025	

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

46. Other non-current liabilities

	Notes	30 June 2019	31 December 2018
Capital increment from strategic investors	(1)	–	1,249,826
Commitment of dividends to minority shareholders	IV.8(5)	487,632	487,632
Rental advances		9,841	11,241
Interest rate swap contract		43,540	8,499
Others	(2)	261,246	354,256
		802,259	2,111,454

- (1) As at 18 December 2015, Shanghai Taifuxiangzhong Private Equity Fund (Limited Partnership), Nanshan Dacheng New Material Investing Partnerships (LLP), Sumitomo Corporation and Shenzhen Dragon-Source Harbor City Investing Development Co., Ltd. (together referred to as "new strategic investors") entered an additional investment on CIMC Vehicles (Group) Co., Ltd. (referred to as "HI") contract with the Company, China Resources Shenzhen International Trust Investment Co., Ltd. and China International Marine Containers (Hong Kong) Limited (together referred to as "original shareholders"); in January 2016, new strategic investors provided additional investment on HI amounted USD166,173,000 (equivalent to RMB1,089,580,000), and USD15,233,000 (equivalent to RMB100,000,000) respectively; In December 2015, new strategic investors provide additional investment on HI amounted to USD9,288,117 (equivalent to RMB60,246,000, based on the investing payment date exchange rate) and RMB100,000,000 respectively; after the additional investing, their shares on HI will be 16.822%, 1.544%, 0.929% and 1.544% of whole HI shares. Also, the contract regulates that if HI cannot launch a valid IPO before 31 December 2020, new strategic investors (except Shenzhen Drag-on-Source Harbor City Investing Development Co., Ltd.) would have the right to ask the Company to re-purchase their shares on HI in the form of cash. The repurchase price should be the sum of (a) the sub-scription price that the individual new strategic investor actually paid in this additional investing and (b) the total interest calculated based on 8% single interest per year and the period covered from the date of the subscription price actually paid to the date the controlling shareholders fully pay the repurchase amount.

For the CIMC Vehicles (Group) Co., Ltd. Launch a valid IPO on the SEHK during this reporting period, the group has reverse relevant re-purchase rights provided to strategic investors.

- (2) Others are mainly the Group's subsidiaries Hongxin Berg and Tianjin Binhai New Area Hongxin Berg Leasing Co., Ltd., as the original equity holders, issued the "Zhongtai Securities-Xingzhen Asset Management-Hongxin Berg Leasing Asset Support Special Plan".

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

47. Share capital

	31 December 2018 '000	Current period additions '000	Current period decrease '000	Change of shares subject to selling restriction '000	30 June 2019 '000
Shares subject to trading restriction					
Held by domestic natural person	762	153	–	–	915
Shares not subject to trading restriction					
RMB-denominated ordinary shares	1,267,650	254,074	–	–	1,521,724
Foreign shares listed overseas	1,716,577	343,315	–	–	2,059,892
Total	2,984,989	597,542	–	–	3,582,531

	31 December 2017 '000	Current year additions '000	Current year decrease '000	Change of shares subject to selling restriction '000	31 December 2018 '000
Shares subject to trading restriction					
Held by domestic natural person	499	338	–	(75)	762
Shares not subject to trading restriction					
RMB-denominated ordinary shares	1,265,813	2,100	(338)	75	1,267,650
Foreign shares listed overseas	1,716,577	–	–	–	1,716,577
Total	2,982,889	2,438	(338)	–	2,984,989

The par value of the aforesaid shares was RMB1.00.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

48. Other equity instruments

	31 December 2018	Current year issuance	Interest at par value	Paid in current year	Other current year additions	30 June 2019
18 CIMC MTN002	2,006,165	–	51,700	–	–	2,057,865
18 First phase renewable corporate bond	2,001,380	–	48,500	–	–	2,049,880
Total	4,007,545	–	100,200	–	–	4,107,745

	31 December 2017	Current year issuance	Interest at par value	Paid in current year	Other current year additions	31 December 2018
15 CIMC MTN001	2,033,043	–	51,900	(2,103,800)	18,857	–
18 CIMC MTN002	–	1,987,264	18,901	–	–	2,006,165
18 First phase renewable corporate bond	–	1,994,340	7,040	–	–	2,001,380
Total	2,033,043	3,981,604	77,841	(2,103,800)	18,857	4,007,545

On 24 October 2018, the Group issued unsecured perpetual bond at par value of RMB2,000 million (“18 CIMC MTN002”). The net value amounted to RMB1,987,264,000 after the deduction of issue expenses. The equity instrument was issued for common corporate financing. The interest rate is 5.17% per annum at the first 3 interest-bearing year. From 26 October 2019, the interest will be paid once a year and the Group can choose to defer the payment. In the fourth interest-bearing year, the coupon rate is reset every 3 years. This instrument has no settled maturity date, and the Group can choose to redeem at the par value together with any accrued, unpaid or deferred interest after 26 October 2021 or later every three interest-bearing years. Before the settlement of deferred interest (including the interest of deferred interest), the issuer can not distribute dividend, reduce capital or others.

On 4 December 2018, the Group issued unsecured perpetual bond at par value to the qualified investors of RMB2,000 million (“18 First phase renewable corporate bond”). The net value amounted to RMB1,994,340,000 after the deduction of issue expenses. The equity instrument was issued for common corporate financing. The interest rate is 4.85% per annum at the first 3 interest-bearing years and the interests are paid annually from 5 December 2019 and the Company can choose a deferred interest payment. From the fourth interest-bearing year, the coupon rate is reset every 3 years. This instrument has no settled maturity date, and the Group can choose to redeem at the par value together with any accrued, unpaid or deferred interest after 5 December 2021 or later every three interest-bearing years.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

49. Capital reserve

	31 December 2018	Current period additions	Current period decrease	30 June 2019
Capital surplus	3,686,478	7,248	(597,088)	3,096,638
Other capital reserve:				
– Exchange reserve on foreign currency capital	692	–	–	692
– Donated non-cash assets reserve	257	–	–	257
– Equity settled share-based payment	405,370	19,672	(3,069)	421,973
– Capital reserve due to share option exercised by subsidiary	10,095	–	(144)	9,951
– Capital reserve due to minority shareholders' contribution	1,396,843	–	(1,603)	1,395,240
Including: restricted stock incentive plan by subsidiary	(2,505)	–	–	(2,505)
– Decrease in minority interests resulted from disposal of subsidiary (not loss the controlling rights on the subsidiary)	892,786	46,016	–	938,802
– Capital reserve due to corporate restructuring	(42,696)	–	–	(42,696)
– Capital reserve due to acquiring minority shareholders' equity	(528,433)	–	–	(528,433)
– Capital reserve due to minority shareholders' contributor	(58,964)	–	–	(58,964)
– Effect of functional currency change	(406,795)	–	–	(406,795)
– Capital reserve due to acquisition or establishment of subsidiary	(107,258)	–	–	(107,258)
– Recognition of buy-back right granted to minority shareholders	(1,249,826)	1,249,826	–	–
– Others	129,851	869	–	130,720
Total	4,128,400	1,323,631	(601,904)	4,850,127

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

49. Capital reserve (Continued)

	31 December 2017	Current year additions	Current year decrease	31 December 2018
Capital surplus	3,664,244	41,091	(18,857)	3,686,478
Other capital reserve:				
– Exchange reserve on foreign currency capital	692	–	–	692
– Donated non-cash assets reserve	257	–	–	257
– Equity settled share-based payment	400,716	20,578	(15,924)	405,370
– Capital reserve due to share option exercised by subsidiary	15,168	–	(5,073)	10,095
– Capital reserve due to minority shareholders' contribution	1,437,005	142,472	(182,634)	1,396,843
Including: restricted stock incentive plan by subsidiary	–	142,472	(144,977)	(2,505)
– Decrease in minority interests resulted from disposal of subsidiary (not loss the controlling rights on the subsidiary)	904,900	8,702	(20,816)	892,786
– Capital reserve due to corporate restructuring	(42,696)	–	–	(42,696)
– Capital reserve due to acquiring minority shareholders' equity	(526,854)	–	(1,579)	(528,433)
– Capital reserve due to minority shareholders' contributor	(58,964)	–	–	(58,964)
– Effect of functional currency change	(406,795)	–	–	(406,795)
– Capital reserve due to acquisition or establishment of subsidiary	(51,925)	–	(55,333)	(107,258)
– Recognition of buy-back right granted to minority shareholders	(1,249,826)	–	–	(1,249,826)
– Others	123,741	6,110	–	129,851
Total	4,209,663	218,953	(300,216)	4,128,400

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

50. Other comprehensive income

	For the Period from 1 January to 30 June 2019					30 June 2019
	31 December 2018	Pre-tax amount incurred	Less: Income tax	Post-tax amount attributable to the Company	Post-tax amount attributable to the minority	
Item that will not be reclassified to profit or loss:						
– Changes in fair value of other equity investments	280,741	34,993	–	34,993	–	315,734
Item that may be reclassified subsequently to profit or loss:						
– Property revaluation reserve	43,754	–	–	–	–	43,754
– Cash flow hedges	2,720	(167)	25	(142)	–	2,578
– Changes in fair value of other debt investments	1,599	465	(116)	349	–	1,948
– Currency translation differences	(11,315)	172,600	–	153,921	18,679	142,606
– Transfer of other comprehensive income from the sale of investment properties	(39,086)	–	–	–	–	(39,086)
– The share of other comprehensive income that will be reclassified into profit or loss under equity method	16,448	–	–	–	–	16,448
– The amount greater than the book value on the conversion date when the self-use real estate is converted to investment properties using fair value measurement	543,850	116,819	–	116,819	–	660,669
	838,711	324,710	(91)	305,940	18,679	1,144,651
	2018					
	31 December 2017	Pre-tax amount incurred	Less: Income tax	Post-tax amount attributable to the Company	Post-tax amount attributable to the minority	31 December 2018
Item that will not be reclassified to profit or loss:						
– Changes in fair value of other equity investments	453,568	(172,827)	–	(172,827)	–	280,741
Item that may be reclassified subsequently to profit or loss:						
– Property revaluation reserve	43,754	–	–	–	–	43,754
– Cash flow hedges	3,734	(1,193)	179	(1,014)	–	2,720
– Changes in fair value of other debt investments	–	2,132	(533)	1,599	–	1,599
– Currency translation differences	(288,833)	341,372	–	277,518	63,854	(11,315)
– Transfer of other comprehensive income from the sale of investment properties	(39,086)	–	–	–	–	(39,086)
– The share of other comprehensive income that will be reclassified into profit or loss under equity method	16,448	–	–	–	–	16,448
– The amount greater than the book value on the conversion date when the self-use real estate is converted to investment properties using fair value measurement	486,062	125,315	(31,335)	57,788	36,192	543,850
	675,647	294,799	(31,689)	163,064	100,046	838,711

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

51. Surplus reserve

	31 December 2018	Current period additions	Current period decrease	30 June 2019
Statutory surplus reserve	1,492,493	–	–	1,492,493
Discretionary surplus reserve	1,790,092	–	–	1,790,092
Total	3,282,585	–	–	3,282,585

	31 December 2017	Current year additions	Current year decrease	31 December 2018
Statutory surplus reserve	1,491,443	1,050	–	1,492,493
Discretionary surplus reserve	1,790,092	–	–	1,790,092
Total	3,281,535	1,050	–	3,282,585

In accordance with the Company Law and the Company's Articles of Association, the Company should appropriate 10% of net profit for the year (including shareholder and other equity holders of the Company) to the statutory surplus reserve, and the Company can cease appropriation when the statutory surplus reserve accumulated to more than 50% of the registered capital. The statutory surplus reserve can be used to make up for the loss or increase the paid in capital.

The Company appropriates for the discretionary surplus reserve after the shareholders' meeting approves the proposal from the Board of Directors. The discretionary surplus reserve can be used to make up for the loss or increase the paid in capital after approval from the appropriate authorities.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

52. Undistributed profits

	Note	For the period from 1 January to 30 June In 2019	2018
Undistributed profits at the beginning of the year		22,082,769	19,734,494
Changes in accounting policies		–	(146,737)
Undistributed profits at the beginning of the year		22,082,769	19,587,757
Add: net profit attributable to the shareholders and other equity holders of the Company for the current year		679,829	3,380,436
Less: influence of issuing perpetual bonds		(100,200)	(77,841)
Less: appropriation for surplus reserve		–	(1,050)
Less: ordinary share dividends payable	(1)	(1,641,980)	(806,533)
Undistributed profits at the end of the year		21,020,418	22,082,769

(1) Dividends of ordinary shares declared during the period

	For the period from 1 January to 30 June In 2019	2018
Dividends proposed but not declared	–	–
Total proposed dividends in the year	1,641,980	806,533

In accordance with the resolution at the shareholders' general meeting of the Company, as at 3 June 2019, the Company paid a cash dividend in the amount of RMB0.55 per share to the ordinary shareholders as at 28 June 2019 (2018: RMB0.27 per share), amounted RMB1,641,980,000 (2018: RMB806,533,000).

53. Revenue and cost of sales

	For the period from 1 January to 30 June In 2019	For the period from 1 January to 30 June In 2018
Revenue from main operations	41,770,290	42,561,350
Revenue from other operations	947,439	999,048
Total	42,717,729	43,560,398
Cost of sales from main operations	36,540,349	37,052,230
Cost of sales from other operations	406,861	500,501
Total	36,947,210	37,552,731

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

53. Revenue and cost of sales (Continued)

(1) Revenue and cost of sales from main operations by industries and by products

	For the period from 1 January to 30 June In 2019		For the period from 1 January to 30 June In 2018	
	Revenue from main operations	Cost of sales from main operations	Revenue from main operations	Cost of sales from main operations
Containers	10,870,429	9,971,428	15,406,716	13,352,397
Road transportation vehicles	12,366,128	10,632,013	11,160,589	9,587,011
Energy and chemical and food equipment	6,895,008	5,755,549	5,941,211	4,832,720
Logistics services	4,263,005	3,910,886	4,021,325	3,683,802
Airport facilities	2,260,208	1,826,566	1,698,707	1,360,659
Heavy truck	980,249	1,038,045	1,551,810	1,455,134
Finance	938,950	630,075	1,043,616	597,881
Offshore engineering	1,281,081	1,222,782	563,738	554,127
Real estate	557,411	219,633	152,355	90,539
Others	1,357,821	1,333,372	1,021,283	1,537,960
Total	41,770,290	36,540,349	42,561,350	37,052,230

(2) Revenue and cost of sales from main operations by locations

	For the period from 1 January to 30 June In 2019		For the period from 1 January to 30 June In 2018	
	Revenue from main operations	Cost of sales from main operations	Revenue from main operations	Cost of sales from main operations
P.R China (PRC)	35,646,952	31,835,353	37,531,525	33,191,967
Europe	2,928,537	2,443,591	2,653,406	2,274,982
America	2,518,994	1,805,081	1,800,838	1,182,121
Asia (except for PRC)	428,008	300,389	428,127	284,365
Others	247,799	155,935	147,454	118,794
Total	41,770,290	36,540,349	42,561,350	37,052,229

The revenue and cost of sales from main operations by locations is determined on the location at which the services were provided or the goods were delivered.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

53. Revenue and cost of sales (Continued)

(3) Revenue and cost of sales from other operations

	For the period from 1 January to 30 June In 2019		For the period from 1 January to 30 June In 2018	
	Revenue from other operations	Cost of sales from other operations	Revenue from other operations	Cost of sales from other operations
Rendering of services	824,182	325,858	807,057	327,202
Sale of raw materials	123,257	81,003	191,991	173,299
Total	947,439	406,861	999,048	500,501

	For the period from 1 January to 30 June in 2019										Total
	Containers	Road transportation vehicles	Energy and chemical and food equipment	Offshore engineering	Airport facilities	Logistics services	Finance	Real estate	Heavy truck	Others	
Revenue from main operations											
Including:											
Recognised at a point in time	10,870,429	12,296,561	4,578,712	419,490	1,900,820	-	2,435	557,411	980,249	1,357,821	32,963,928
Recognised over time	-	69,567	2,316,296	861,591	359,388	4,263,005	18,966	-	-	-	7,888,813
Finance lease income	-	-	-	-	-	-	917,549	-	-	-	917,549
	10,870,429	12,366,128	6,895,008	1,281,081	2,260,208	4,263,005	938,950	557,411	980,249	1,357,821	41,770,290

54. Taxes and surcharges

	For the period from 1 January to 30 June In 2019	For the period from 1 January to 30 June In 2018	Tax base
City maintenance and construction tax	70,174	47,877	7% of VAT
Educational sur-charge	53,282	35,991	3% – 5% of VAT paid
Tenure tax	90,455	56,100	Actual using area of land and unit tax
Land appreciation tax	52,715	25,687	Appreciation amount in transferring property and applicable tax rate
Housing property tax	39,059	36,341	Real estate surplus or property rental income and applicable tax rate
Stamp Duty	20,557	18,222	Amount or number of taxable voucher and applicable tax rate or unit tax
Others	3,805	9,739	
Total	330,047	229,957	

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

55. Selling and distribution expenses

	For the period from 1 January to 30 June in 2019	For the period from 1 January to 30 June in 2018
Employ benefits	457,665	398,621
Transportation and distribution expenses	6,443	592,702
Selling operation	176,313	133,678
Warranty	94,985	85,488
External sales commission	24,944	23,596
Storage	36,346	18,320
Advertising	18,305	24,447
Agency fees	19,256	16,561
Others	118,724	88,644
Total	952,981	1,382,057

56. General and administrative expenses

	For the period from 1 January to 30 June in 2019	For the period from 1 January to 30 June in 2018
Employ benefits	1,167,660	1,094,734
Amortisation	127,045	127,608
Depreciation	118,794	119,791
Agency fees	121,537	112,120
Rental	36,761	82,007
Performance bonus and profit sharing bonus	55,511	68,232
Taxes and surcharges	33,630	56,379
Low-value consumables and materials consumed	112,367	46,776
Share-based payment expenses	28,681	4,435
Office expenditures, entertainment fee and others	387,205	360,442
Total	2,189,191	2,072,524

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

57. Research and development expenses

	For the period from 1 January to 30 June In 2019	For the period from 1 January to 30 June In 2018
Direct material consumption	194,787	102,027
Research and development labor costs	214,035	153,915
Testing fee	27,201	13,434
Depreciation and amortisation	24,098	24,229
Design fee	57,553	6,316
Others	19,983	27,308
Total	537,657	327,229

58. Financial expenses

	For the period from 1 January to 30 June In 2019	For the period from 1 January to 30 June In 2018
Interest expenses	1,057,468	897,655
Less: capitalised borrowing costs	(182,684)	(263,549)
Less: interest income	(371,671)	(222,248)
Exchange gains/(losses)	(6,726)	(58,230)
Others	64,632	38,896
Total	561,019	392,524

59. Expenses by nature

Costs of sales, selling and distribution expenses, general and administrative expenses and research and development expenses in income statement presented by nature are analysed as follows:

	For the period from 1 January to 30 June In 2019	For the period from 1 January to 30 June In 2018
Finished goods and work-in-progress movement	262,178	(366,859)
Consumption of raw materials and low priced and easily worn articles, etc	31,989,079	33,956,670
Salary and wages	4,016,322	3,662,658
Depreciation and amortisation	1,233,065	1,021,995
Shipping and handling charges	581,237	654,186
Rental	80,695	172,986
Research and development expenses	537,657	327,229
Processing and repairing expenses	351,203	353,509
Power expenses	359,155	382,215
Selling operation expenses	176,313	133,678
Other expenses-other manufacturing expenses	374,156	248,483
Other expenses-other selling and distribution expenses	274,390	226,841
Other expenses-other general and administrative expenses	391,589	560,951
	40,627,039	41,334,542

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

60. Other income

	For the period from 1 January to 30 June In 2019	For the period from 1 January to 30 June In 2018	Asset related/Income related
Financial subsidies	406,394	93,505	Asset related/Income related
Tax refund	7,316	16,378	Income related
Others	15,009	11,096	Income related
Total	428,719	120,979	

61. Investment (losses)/income

Investment (losses)/income by categories

	For the period from 1 January to 30 June In 2019	For the period from 1 January to 30 June In 2018
Income from disposal of financial assets/liabilities held for trading	(14,415)	31
Income from disposal of derivative financial assets/liabilities	23,026	33,526
Income from other equity instruments during the holding period	9,511	6,906
Income from long-term equity investments under equity method	25,064	25,375
Income from disposal of long-term equity investment	18,527	116,892
Others	27,495	13,041
Total	89,208	195,771

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

62. Fair value (losses)/gains

	For the period from 1 January to 30 June In 2019	For the period from 1 January to 30 June In 2018
Financial assets at fair value through profit or loss		
– Changes in fair value during the year		
1. Fair value gains on equity instruments held for trading	14,679	21,284
2. Fair value (losses)/gains on derivative financial instruments	(218,851)	129,930
– Gains/(losses) for derecognised financial assets at fair value through profit or loss	1,149	(33,557)
Sub-total	(203,023)	117,657
Financial liabilities at fair value through profit or loss		
– Changes in fair value during the year		
Fair value (losses)/gains on derivative financial instruments	(160)	(162,154)
Sub-total	(160)	(162,154)
Total	(203,183)	(44,497)

63. Credit losses

	For the period from 1 January to 30 June 2019	For the period from 1 January to 30 June 2018
Long-term receivables (including current portion of non-current assets)	27,156	35,386
Accounts receivables	22,599	5,965
Contract assets	3,867	4,314
Other receivables	(2,824)	29,147
Total	50,798	74,812

64. Asset impairment losses

	For the period from 1 January to 30 June 2019	For the period from 1 January to 30 June 2018
Advances to suppliers	(13,947)	311
Inventories and costs incurred to fulfil a contract	13,818	5,281
Long-term equity investments	–	2,070
Fixed assets	–	4
Goodwill	–	2,087
Total	(129)	9,753

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

65. Gains on disposals of assets

	For the period from 1 January to 30 June In 2019	For the period from 1 January to 30 June In 2018	Amount recognised in non-recurring profit or loss from 1 January to 30 June In 2019
Gains on disposals of fixed assets	68,021	48,156	68,021
Loss on disposals of fixed assets	(13,028)	(10,837)	(13,028)
Loss on disposals of intangible assets	(175)	–	(175)
Total	54,818	37,319	54,818

66. Non-operating income

	For the period from 1 January to 30 June In 2019	For the period from 1 January to 30 June In 2018	Amount recognised in non-recurring profit or loss during the period from 1 January to 30 June In 2019
Unpayable payables	51,515	2,344	51,515
Compensation income	18,920	1,301	18,920
Penalty income	1,253	4,191	1,253
Relocation compensation	69,880	–	69,880
Other	24,291	14,057	24,291
Total	165,859	21,893	165,859

67. Non-operating expenses

	For the period from 1 January to 30 June In 2019	For the period from 1 January to 30 June In 2018	Amount recognised in non-recurring profit or loss during the period from 1 January to 30 June In 2019
Losses from debt restructuring	9,957	61	9,957
Losses of disposals of fixed assets	5,308	–	5,308
Donations	3,130	507	3,130
Penalty expenses	2,852	2,956	2,852
Compensation expenses	7,749	6,181	7,749
Abnormal losses	3,910	943	3,910
Others	11,314	9,817	11,314
Total	44,220	20,465	44,220

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

68. Income tax expenses

	For the period from 1 January to 30 June in 2019	For the period from 1 January to 30 June in 2018
Current income tax calculated based on tax law and related regulations	486,533	547,793
Deferred income tax	51,403	(33,939)
Total	537,936	513,854

Reconciliation between tax expense and accounting profit at applicable tax rates:

	For the period from 1 January to 30 June in 2019	For the period from 1 January to 30 June in 2018
Total profit	1,640,156	1,829,811
Income tax expenses calculated at applicable tax rates	414,085	451,757
Effect of tax incentive	(50,639)	(78,348)
Expenses not deductible for tax purposes	9,260	13,606
Other income not subject to tax	(88,901)	(76,982)
Deductible losses in previously unrecognised deferred income tax assets	(16,744)	(21,020)
Deductible losses in unrecognised deferred income tax assets	222,157	168,984
Deductible temporary differences for which no deferred tax asset was recognised in previous years	58,378	58,317
Effect of tax rate change on deferred tax	(4,113)	(1,307)
Tax refund for income tax annual filing	(5,547)	(1,153)
Income tax expenses	537,936	513,854

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

69. Earnings per share

(1) Basic earnings per share

Basic earnings per share is calculated by dividing consolidated net profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding:

	For the Period from 1 January to 30 June 2019	For the Period from 1 January to 30 June 2018
Consolidated profit attributable to ordinary shareholders and other equity holders of the Company	679,829	965,397
Influence of the issuing of perpetual bonds	(100,200)	(51,900)
Consolidated profit (adjusted) attributable to ordinary shareholders of the Company	579,629	913,497
Weighted average number of ordinary shares outstanding ('000)	3,582,369	3,581,262
Basic earnings per share (RMB/share)	0.1618	0.2551
Including:going concern basic earnings per share	0.1618	0.2551

(2) Diluted earnings per share

Diluted earnings per share is calculated by dividing net profit attributable to ordinary shareholders of the Company adjusted based on the dilutive potential ordinary shares by the adjusted weighted average number of ordinary shares outstanding:

	For the Period from 1 January to 30 June 2019	For the Period from 1 January to 30 June 2018
Consolidated profit attributable to ordinary shareholders and other equity holders of the Company	679,829	965,397
Influence of the issuing of perpetual bonds by the Company	(100,200)	(51,900)
Influence of share option program by subsidiaries	(4,113)	(4,113)
Consolidated profit (adjusted) attributable to ordinary shareholders of the Company	575,516	909,384
Weighted average number of ordinary shares outstanding (diluted) ('000) (adjusted)	3,589,101	3,591,815
Diluted earnings per share (RMB/share)	0.1604	0.2532

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

69. Earnings per share (Continued)

(2) Diluted earnings per share (Continued)

(a) Calculation of weighted average number of ordinary shares outstanding (diluted):

	For the Period from 1 January to 30 June 2019	For the Period from 1 January to 30 June 2018
Weighted average number of ordinary shares out-standing ('000)	3,582,369	3,581,262
Effect of share options ('000)	6,732	10,553
Weighted average number of ordinary shares out-standing (diluted) ('000)	3,589,101	3,591,815

The board of directors of the Company was authorised to grant 60,000,000 shares (1.67% of the total issued shares 3,582,530,682) to the senior management and other staffs. Refer to Note IX for details.

On 28 June 2019, the implementation of the 2018 equity distribution of the Company was completed and two shares were issued to all shareholders for every ten shares by way of conversion of capital reserve.

According to the requirements of Article 13 of the Accounting Standards for Business Enterprises No. 34 – Earnings per Share, the Company has recalculated the earnings per share for the corresponding period of last year based on the adjusted number of shares.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

70. Notes to the consolidated cash flow statement

(1) Cash received related to other operating activities

	For the period from 1 January to 30 June In 2019	For the period from 1 January to 30 June In 2018
Cash received from government grants related to assets	65,527	35,127
Cash received from government grants related to income	256,394	256,100
Relocation compensation received	148,271	–
Cash received from compensation income	18,920	1,301
Cash received from penalty income	1,253	4,191
Others	68,932	68,063
Total	559,297	364,782

(2) Cash paid related to other operating activities

	For the period from 1 January to 30 June In 2019	For the period from 1 January to 30 June In 2018
Cash paid for transportation and distribution expenses	581,237	592,702
Cash paid for rental, insurance and other selling and distribution expenses	137,980	82,007
Cash paid for technical development costs	318,771	327,229
Cash paid for warranty	112,946	61,853
Cash paid for sales operation fee	176,313	133,678
Cash paid for entertainment fee	387,205	360,442
Cash paid for travelling, office expenditure and other expenses in ordinary operation	62,968	252,929
Total	1,777,420	1,810,840

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

70. Notes to the consolidated cash flow statement (Continued)

(3) Cash received related to other investing activities

	For the period from 1 January to 30 June In 2019	For the period from 1 January to 30 June In 2018
Cash paid by the subsidiary for the purchase of the current period less than the amount of cash held by the subsidiary	51,285	–

(4) Cash paid related to other investing activities

	For the period from 1 January to 30 June In 2019	For the period from 1 January to 30 June In 2018
Cash paid for minority shareholders	–	752,134

(5) Cash received related to other financing activities

	For the period from 1 January to 30 June In 2019	For the period from 1 January to 30 June In 2018
Cash received from share option exercised by minority shareholders	5,818	18,332
Cash received from disposal of subsidiaries(without losing control)	–	62,700
Cash received from loan from minority shareholders	2,078,417	–
Total	2,084,235	81,032

(6) Cash paid related to other financing activities

	For the period from 1 January to 30 June In 2019	For the period from 1 January to 30 June In 2018
Cash paid for underwriting, registration and establishment fee	15,531	–
Cash paid for lease liabilities	96,867	–
Total	112,398	–

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

71. Information to cash flow statement

(1) Supplementary information to the consolidated cash flow statement

(a) *Reconciliation from net profit to cash flows from operating activities:*

	For the period from 1 January to 30 June In 2019	For the period from 1 January to 30 June In 2018
Net profit	1,102,220	1,315,957
Add: impairment provisions for assets	50,669	84,565
depreciation of fixed assets	904,155	805,668
amortisation of intangible assets	171,077	158,148
amortisation of long-term prepaid expenses	77,552	58,179
depreciation of right-of use assets	80,281	–
(gains)/losses on disposal of fixed assets, intangible assets and other long-term assets	49,510	(37,319)
losses/(gains) on changes in fair value	203,183	44,497
financial expense	503,113	457,520
investment losses/(income)	(89,208)	(195,771)
share-based payment expenses	28,681	4,435
increase in deferred tax assets	29,707	(42,907)
increase in deferred tax liabilities	(16,652)	8,968
increase in inventories	(5,383,396)	1,815,656
increase in operating receivables	2,433,418	(6,805,317)
increase in operating payables	(2,246,722)	1,471,482
Net cash flows from operating activities	(2,102,412)	(856,239)

(b) *Net increase in cash and cash equivalents:*

	For the period from 1 January to 30 June In 2019	For the period from 1 January to 30 June In 2018
Cash and cash equivalents at the end of the year	5,366,704	4,643,026
Less: cash and cash equivalents at the beginning of the year	10,532,753	5,442,857
Net increase/(decrease) in cash and cash equivalents	(5,166,049)	(799,831)

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

71. Information to cash flow statement (Continued)

(2) Cash and cash equivalents

	30 June 2019	31 December 2018
I. Cash		
Including: Cash on hand	8,163	7,935
Cash at bank that can be readily drawn on demand	4,965,541	8,450,105
Other monetary fund that can be readily drawn on demand	343,200	73,299
II. Redemptory monetary capital for sale and withdrawal of funds by Finance Company	49,800	2,001,414
III. Cash and cash equivalents at the end of the year	5,366,704	10,532,753

Note: Aforesaid "Cash and cash equivalents" excluded restricted cash at bank and on hand.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

72. Monetary items denominated in foreign currency

	Functional Currency '000	30 June 2019 Exchange Rate	in RMB '000
Monetary fund –			
EUR	167,240	7.8186	1,307,582
USD	742,537	6.8729	5,103,381
HKD	609,528	0.8797	536,202
GBP	20,057	8.7108	174,712
THB	354,969	0.2234	79,300
AUD	11,911	4.8146	57,348
JPY	523,056	0.0638	33,371
Others			142,681
			7,434,577
Accounts receivables –			
USD	2,204,272	6.8729	15,149,742
EUR	111,110	7.8186	868,721
GBP	42,639	8.7108	371,421
JPY	515,047	0.0638	32,860
HKD	57,492	0.8797	50,576
AUD	8,434	4.8146	40,606
THB	45,407	0.2234	10,144
Others			281,596
			16,805,666
Other payables –			
USD	37,458	6.8729	257,446
EUR	8,100	7.8186	63,334
GBP	5,060	8.7108	44,075
HKD	12,404	0.8797	10,912
AUD	627	4.8146	3,020
THB	1,200	0.2234	268
Others			48,041
			427,096
Long-term receivables –			
USD	1,667,889	6.8729	11,463,236
GBP	25,185	8.7108	219,383
HKD	27,438	0.8797	24,137
Others			1,979
			11,708,735

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

72. Monetary items denominated in foreign currency (Continued)

	Functional Currency '000	30 June 2019 Exchange Rate	in RMB '000
Short-term borrowings –			
USD	2,035,080	6.8729	13,986,899
EUR	104,675	7.8186	818,414
Others			207,807
			15,013,120
Accounts payables –			
USD	894,340	6.8729	6,146,707
GBP	54,255	8.7108	472,606
EUR	76,322	7.8186	596,730
HKD	37,771	0.8797	33,227
AUD	15,751	4.8146	75,837
THB	102,699	0.2234	22,943
JPY	17,759	0.0638	1,133
Others			119,434
			7,468,617
Other payables –			
USD	51,522	6.8729	354,104
EUR	29,268	7.8186	228,832
GBP	5,010	8.7108	43,645
HKD	34,775	0.8797	30,592
AUD	3,748	4.8146	18,043
THB	16,038	0.2234	3,583
Others			133,860
			812,659
Long-term borrowings –			
USD	3,547,899	6.8729	24,384,353
GBP	26	8.7108	227
AUD	32	4.8146	156
			24,384,736
Long term payables –			
USD	19,737	6.8729	135,650
Others			614
			136,264

The above-mentioned foreign currency monetary items refer to all currencies except RMB. (The scope is different from the foreign currency items in Note XIV.4(1)).

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V. CHANGES IN THE SCOPE OF CONSOLIDATION

1. Business combinations involving enterprises not under common control

(1) Business combinations involving enterprises not under common control

On 31 July 2018 and 19 October 2018, CIMC TianDa, a subsidiary of the Group, entered into the equity acquisition agreements with third parties to acquire 60% of the equity interest in Shenyang Jietong and the 100% of the equity interest in Shanghai Jindun, respectively. The transactions mentioned above were completed in June 2019 and April 2019, respectively.

During the Reporting Period, CIMC Enric Investment Holdings (Shenzhen) Ltd. (中集安瑞科投資控股(深圳)有限公司), a subsidiary of the Group, and Ningxia Yuanshan New Energy Group Co., Ltd. (寧夏遠杉新能源集團有限公司) entered into an equity acquisition agreement to acquire 65.09% of the equity interests of Ningxia Changming Natural Gas Development Co., Ltd. (寧夏長明天然氣開發有限公司). Upon completion of the transaction, Ningxia Changming Natural Gas Development Co., Ltd. was changed from an associate of the Group to a subsidiary of the Group.

2. Disposal of subsidiaries

There are no disposals of significant subsidiaries.

VI. EQUITY IN OTHER ENTITIES

1. Equity in subsidiaries

All subsidiaries of the Group were established or acquired through combination not under common control. There is no acquisition of subsidiaries through combination under common control.

As at 30 June 2019, the number of companies included in the scope of consolidation added up to approximately 725. Except for the important subsidiaries listed as below, the number of other subsidiaries held by the Group was 562. Other subsidiaries mainly included those engaged in manufacturing or service provision, which have relatively small scale of operation, and those investment holding companies with no operating activities registered in Hong Kong, British Virgin Islands or other overseas countries.

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination

(i) Domestic subsidiaries

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
1	Shenzhen Southern CIMC Containers Manufacture Co., Ltd. ("SCIMC")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Manufacture, repair and sale of container, container stockpiling business	RMB137,698,700	100.00%	-
2	Shenzhen Southern CIMC Logistics Equipment Manufacturing Co., Ltd. ("SCIMCEL")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Manufacture and repair of container, design and manufacture of new-style special road and port	USD80,000,000	-	100.00%
3	Xinhui CIMC Container Co., Ltd. ("XHCIMC")	Business entity	Jiangmen Guangdong	Jiangmen Guangdong	Manufacture, repair and sale of containers	USD24,000,000	-	90.00%
4	Nantong CIMC Shunda Containers Co., Ltd. ("NTCIMC")	Business entity	Nantong Jiangsu	Nantong Jiangsu	Manufacture, repair and sale of containers	USD7,700,000	-	71.00%
5	Dalian CIMC Containers Co., Ltd. ("DLCIMC")	Business entity	Dalian Liaoning	Dalian Liaoning	Manufacture and sale of container as well as relevant technical advisory container stockpiling business	RMB294,100,000	-	81.50%
6	Shenzhen Shangqi Real Estate Co., Ltd. ("SZ Shangqi")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Real estate development	RMB61,224,490	-	36.27%
7	Ningbo CIMC Logistics Equipment Co., Ltd. ("NBCIMC")	Business entity	Ningbo Zhejiang	Ningbo Zhejiang	Manufacture and sales of containers and related technological consultancy; container storage	USD15,000,000	-	100.00%
8	Taicang CIMC Containers Co., Ltd. ("TCCIMC")	Business entity	Taicang Jiangsu	Taicang Jiangsu	Manufacture and repair of container	USD31,000,000	-	100.00%

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

(i) Domestic subsidiaries (Continued)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
9	Yangzhou Runyang Logistics Equipments Co., Ltd. ("YZRYL")	Business entity	Yangzhou Jiangsu	Yangzhou Jiangsu	Manufacture, repair and sales of container	USD143,880,000	-	100.00%
10	Shanghai CIMC Yangshan Logistics Equipments Co., Ltd. ("SHYSLE")	Business entity	Shanghai	Shanghai	Manufacture and sale of container as well as relevant technical advisory	USD29,480,000	-	100.00%
11	Shanghai CIMC Reefer Containers Co., Ltd. ("SCRC")	Business entity	Shanghai	Shanghai	Manufacture and sale of refrigeration and heat preservation device of reefer container, refrigerator car and heat preservation car	USD31,000,000	72.00%	20.00%
12	Nantong CIMC Special Transportation Equipment Manufacture Co., Ltd. ("NTCIMCS")	Business entity	Nantong Jiangsu	Nantong Jiangsu	Manufacture, sale and repair of various trough, tank as well as various special storing and transporting equipments and parts	USD10,000,000	-	71.00%
13	Xinhui CIMC Special Transportation Equipment Co., Ltd. ("XHCIMCS")	Business entity	Jiangmen Guangdong	Jiangmen Guangdong	Manufacture and sale of various container, semi-finished container product and relevant components product and relevant components and maintenance service	RMB425,490,000	-	100.00%
14	Shenzhen Chenyu investment development Co., Ltd. ("Shenzhen Chenyu")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Investment consulting & venture investment, house leasing apartment and estate management	RMB1,000,000	-	61.50%
15	Shenzhen CIMC Zhicheng Business Development Co., Ltd. ("Shenzhen Zhicheng")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Consulting on business management, investment, and financial information Domestic commerce	RMB5,000,000	-	100.00%

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

(i) Domestic subsidiaries (Continued)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
16	Beijing JingXin XiangNeng Technology Co., Ltd. ("Beijing JinXin XiangNeng")	Business entity	Beijing	Beijing	Technology development, business management consulting, import and export of goods, chemical products wholesale	RMB12,240,000	-	51.00%
17	CIMC Lide Transmission (Wuxi) Co., Ltd. ("Lide Transmission")	Business entity	Wuxi Jiangsu	Wuxi Jiangsu	Sale of machinery equipment and gadget, metal and decorative materials	RMB9,140,000	-	65.00%
18	Qianhai Ruiji Technology Co., Ltd. ("Qianhai Ruiji Technology")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Technology development in machinery equipment, technology consulting and sales	RMB8,000,000	-	70.00%
19	Dongguan CIMC Intelligent Technology Co., Ltd. ("CIMC Tech")	Business entity	Dongguan Guangdong	Dongguan Guangdong	Development, manufacture and sale of industrial intelligence and automation equipment	RMB12,000,000	-	68.00%
20	Shenzhen CIMC New Material Technology Development Co., Ltd. ("Shenzhen Xincai")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Manufacture and sale of container wooden floor and related products, provide related services	RMB30,000,000	12.00%	66.70%
21	Longyan CIMC New Material Development Co., Ltd. ("Longyan New Material Development")	Business entity	Zhangping Fujian	Zhangping Fujian	Technology development of new eco-material, sale of chemical materials	RMB3,000,000	-	50.54%
22	Qingdao CIMC Chuangying Composite Material Technology Co., Ltd. ("Qingdao Chuangying")	Business entity	Qingdao Shandong	Qingdao Shandong	Development, manufacture, sale, handling and detect of thermoplastic composites and their products	RMB70,000,000	-	80.00%
23	CIMC - SHAC (Xi'an) Special Vehicle Co., Ltd. ("XASV")	Business entity	Xi'an Shaanxi	Xi'an Shaanxi	Development and production of various trailer, special-use vehicles as well as components and parts; professional services	RMB50,000,000	-	47.50%

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

(i) Domestic subsidiaries (Continued)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
24	Shenzhen CIMC Sharing Logistics Service Co., Ltd. ("Sharing Logistics")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Logistics management services; Cloud sharing services	RMB5,000,000	–	69.00%
25	Xinhui CIMC Composite Material Manufacture Co., Ltd. ("Jiangmen Vehicle")	Business entity	Jiangmen Guangdong	Jiangmen Guangdong	Production, development, processing and sales of various composite plate products such as plastics, plastic alloy	RMB141,220,000	–	48.50%
26	CIMC YiKeTong Parts Co., Ltd. ("YiKeTong")	Business entity	Wuhu Anhui	Wuhu Anhui	Industrial design and new technology development mainly about automobile and its accessories	RMB100,000,000	–	90.00%
27	Guangzhou CIMC Container Service Co., Ltd. ("Guangzhou Service")	Business entity	Guangzhou Guangdong	Guangzhou Guangdong	Maintenance and leasing of containers	RMB10,010,000	–	60.00%
28	CIMC Financing and Leasing Co., Ltd. ("CIMC Financing and Leasing")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Finance lease business; disposal and maintenance for residual value of leased property; advisory and warranty for leasing transaction	USD70,000,000	75.00%	25.00%
29	Qingdao Refrigeration Transport Equipment Co., Ltd. ("QDRV")	Business entity	Qingdao Shandong	Qingdao Shandong	Manufacture and sales of various refrigerator truck, insulated truck, other transport equipment and spare parts	USD29,405,000	–	63.33%
30	Shenzhen Zhongji Youjie Technology Co., Ltd. ("Zhongji Youjie")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Manufacture, sale, import, export, wholesale and retail of container related products	RMB50,000,000	–	80.00%
31	Chengdu Vehicle Industrial Park Management Co., Ltd. ("Chengdu Vehicle Industrial Park")	Business entity	Chengdu Sichuan	Chengdu Sichuan	Industrial park operation management, logistics management	RMB2,000,000	–	84.70%

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

(i) Domestic subsidiaries (Continued)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
32	Xinhui CIMC Wood Co., Ltd. ("XHCIMCW")	Business entity	Jiangmen Guangdong	Jiangmen Guangdong	Production and sales of container-purpose wood floor and relevant products of various specifications; providing relevant technical advisory service	RMB128,310,000	-	100.00%
33	Shenzhen Shengji Logistics Transportation Co., Ltd. ("Shenzhen Shengji")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Vehicle and machinery equipment leasing, wholesale and retail of vehicle gadgets	RMB20,000,000	-	50.63%
34	Jiaxing CIMC Wood Co., Ltd. ("JXW")	Business entity	Jiaxing Zhejiang	Jiaxing Zhejiang	Production and sales of container wood floors, wood products for transport equipments and other wood products	USD5,000,000	-	81.85%
35	Liaoning Hashenleng Gas liquefaction equipment Co., Ltd. ("Hashenleng")	Business entity	Tieling Liaoning	Tieling Liaoning	Natural gas liquefaction equipment, CBM liquefaction equipment; design, production and sales of relevant auxiliary equipment	RMB50,000,000	-	41.15%
36	Dongguan CIMC Multimodal Transport Development Co., Ltd. ("Dongguan CIMC Multimodal Transport")	Business entity	Dongguan Guangdong	Dongguan Guangdong	Domestic freight agency, supply chain management and international ocean freight agency	RMB5,000,000	-	80.00%
37	CIMC Shenfa Development Co., Ltd. ("CIMC SD")	Business entity	Shanghai	Shanghai	Investment, construction and operation for infrastructure; real estate development and operation	RMB204,120,000	98.53%	1.47%
38	Shenzhen CIMC Autoparking System Co., Ltd. ("CIMC Parking")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Autoparking system and equipment sale of products, technology services	RMB30,000,000	-	50.84%

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

(i) Domestic subsidiaries (Continued)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
39	CIMC Vehicles (Group) Co., Ltd. ("HI")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Development, production and sales of various various high-tech and high-performance special vehicle and trailer series	USD212,225,100	44.33%	19.00%
40	Qingdao CIMC Special Reefer Co., Ltd. ("QDCSR")	Business entity	Qingdao Shandong	Qingdao Shandong	Manufacture of various container, semi-finished container product and relevant components and parts	USD39,184,100	-	100.00%
41	Tianjin CIMC Logistics Equipments Co., Ltd. ("TJCIMCLE")	Business entity	Tianjin	Tianjin	Design, manufacture, sale, maintenance and relevant technical advisory for logistics equipment and relevant components and parts	USD10,000,000	-	83.50%
42	Dalian CIMC Logistics Equipment Co., Ltd. ("DLL")	Business entity	Dalian Liaoning	Dalian Liaoning	Design, manufacture, sale, maintenance and relevant technical advisory for logistics equipment and pressure vessel	RMB177,115,600	-	100.00%
43	Chongqing CIMC Logistics Equipments Co., Ltd. ("CQLE")	Business entity	Chongqing	Chongqing	Design, manufacture, lease, maintenance of container, special container, other logistic equipment and relevant components and parts	USD8,000,000	75.00%	25.00%
44	Dalian CIMC Heavy Logistics Equipments Co., Ltd. ("DLZH")	Business entity	Dalian Liaoning	Dalian Liaoning	International trade, entrepot trade; design, manufacture, sale, and relevant technical advisory of pressure vessel	USD65,144,400	74.13%	25.87%

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

(i) Domestic subsidiaries (Continued)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
45	Shenzhen CIMC Intelligent Technology Co., Ltd. ("CIMC Tech")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Design, development, sale, surrogate of electron production software and system	RMB70,294,200	59.46%	8.54%
46	CIMC Taicang Refrigeration Equipment Logistics Co., Ltd. ("TCCRC")	Business entity	Taicang Jiangsu	Taicang Jiangsu	Research and development, production and sale of reefer container and special container	RMB450,000,000	–	100.00%
47	Hunan CIMC Bamboo Industry Development ("Hunan Woods")	Business entity	Suining Hunan	Suining Hunan	Manufacturing and sale of bamboo and wood product	RMB28,000,000	–	76.84%
48	CIMC Jidong (Qinhuangdao) Vehicles Manufacture Co., Ltd. ("QHDV")	Business entity	Qinhuangdao Hebei	Qinhuangdao Hebei	Sale of car and car components and parts	RMB70,000,000	–	47.50%
49	Shenzhen Jihong Development Co., Ltd. ("Jihong Development")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Investment on industry and pioneering work, project consulting	RMB50,000,000	–	61.50%
50	Xinhui CIMC Wood Co., Ltd. ("XHCIMCW")	Business entity	Xinhui Guangdong	Xinhui Guangdong	Production and sales of container-purpose wood floor and relevant products of various specifications	RMB128,300,000	–	100.00%
51	Guangdong CIMC building construction Co. Ltd. ("Guangdong CIMC building construction")	Business entity	Jiangmen Guangdong	Jiangmen Guangdong	Module supply	RMB50,000,000	–	100.00%
52	Shanghai CIMC Baojian Vehicle Teting Co., Ltd. ("Shanghai Baojian")	Business entity	Shanghai	Shanghai	Vehicle comprehensive performance test vehicle deposit and odd jobs handling	RMB3,300,000	–	50.17%

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

(i) Domestic subsidiaries (Continued)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
53	CIMC Marine Engineering Academe Co., Ltd. ("MEA")	Business entity	Yantai Shandong	Yantai Shandong	Research and development of marine operation platform and other marine	RMB150,000,000	75.00%	25.00%
54	Shanghai Lifan Container Service Co., Ltd. ("Shanghai Lifan")	Business entity	Shanghai	Shanghai	Refitting and maintenance of containers; providing containers information system management and advisory service	RMB1,000,000	–	70.00%
55	CIMC New Environmental Protection Material Co., Ltd. ("CIMC Xincai")	Business entity	Dongguan Guangdong	Dongguan Guangdong	Development, production and sales of wood products for various modern transportation equipment	RMB130,173,300	–	75.80%
56	Shenzhen CIMC Industry & City Development Co., Ltd. ("CIMC Chancheng")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Real estate development	RMB339,512,100	–	61.50%
57	Yangzhou CIMC grand space Real Estate Development Co., Ltd. ("CIMC Haoyu")	Business entity	Yangzhou Jiangsu	Yangzhou Jiangsu	Real estate development, sales and leasing	RMB25,000,000	–	76.90%
58	Qianhai Jicheng Real Estate Development (Shenzhen) Co., Ltd. ("Qianhai Jicheng")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Real estate development, sales and leasing	RMB30,000,000	–	100.00%
59	Chengdu CIMC Industrial Park Investment and Development Co., Ltd. ("Chengdu Industrial Park")	Business entity	Chengdu Sichuan	Chengdu Sichuan	Construction, management and lease of storage and relevant facilities; sales of vehicles and accessories	RMB60,000,000	–	85.33%
60	CIMC Finance Company ("Finance Company")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Providing financial service to fellow subsidiaries in the Group	RMB920,000,000	54.35%	45.65%

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

(i) Domestic subsidiaries (Continued)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
61	Shenzhen CIMC Investment Holding company ("SZ Investment Holding")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Equity investment; sales and leasing of containers and container property	RMB75,600,000	100.00%	-
62	Ocean Engineering Design & Research Institute of CIMC ("SHOE")	Business entity	Shanghai	Shanghai	Design and research of marine operation platform and other ocean engineering	RMB50,000,000	-	100.00%
63	Shenzhen CIMC Investment Co., Ltd. ("SZ Investment")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Equity investment, investment management and related investment business	RMB140,000,000	100.00%	-
64	Shenzhen Sky Capital Co., Ltd. ("SESKY")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Equity investment, investment management and related investment business	RMB200,000,000	95.00%	5.00%
65	Ningbo MRO Trading Co., Ltd. ("MRO")	Business entity	Ningbo Zhejiang	Ningbo Zhejiang	Production and sales of gas mask and other plastic productions	RMB10,000,000	-	100.00%
66	CIMC Container Holding Co., Ltd. ("Container Holding")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Equity investment and management and related investment business	RMB5,292,828,900	100.00%	-
67	CIMC Modular Building Investment Co., Ltd. ("Modular Investment")	Business entity	Jiangmen Guangdong	Jiangmen Guangdong	Equity investment, investment management and real estate investment	RMB350,000,000	-	100.00%
68	CIMC Modular Building Design & Development Co. Ltd. ("Modular design")	Business entity	Jiangmen Guangdong	Jiangmen Guangdong	Design modular building and decorations	RMB50,000,000	-	73.05%
69	Qianhai CIMC Leasing (Shenzhen) Co., Ltd. ("Qianhai Rental")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Finance lease business Lease transaction advisory	RMB1,000,000,000	-	100.00%

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

(i) Domestic subsidiaries (Continued)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
70	Yantai Tiezhongbao Steel Processing Co., Ltd. ("Yantai Tiezhongbao")	Business entity	Yantai Shandong	Yantai Shandong	R&D, manufacturing leg structure; sales of products	USD9,150,200	-	65.00%
71	Anhui United Feicai Vehicle Co., Ltd. ("United Feicai")	Business entity	Xuancheng Anhui	Xuancheng Anhui	Production and sales of various special-use vehicles and engineering machinery	RMB158,000,000	-	70.06%
72	Dongguan CIMC Special Vehicle Co., Ltd. ("Dongguan CIMC Special Vehicle")	Business entity	Dongguan Guangdong	Dongguan Guangdong	Development, production and sales of various special-use vehicles, refitting vehicles, special vehicles, trailer series	RMB30,000,000	-	63.33%
73	CIMC Mordern Logistic Development Co., Ltd. ("Mordern Logistic")	Business entity	Tianjin	Tianjin	International and domestic freight transport agents, general and CIQ affairs	RMB1,049,226,700	100.00%	-
74	Shenzhen Three HuaZhuoYue Investment Co., LTD. ("Shenzhen Three HuaZhuo Yue")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Investment holding	RMB30,000,000	-	70.06%
75	Taicang CIMC Special Logistics Equipment Co. Ltd. ("Taicang Special Equipment")	Business entity	Taicang Jiangsu	Taicang Jiangsu	Production and manufacture of special container equipment	USD20,000,000	-	100.00%
76	Shenzhen CIMC Tongchuang Supply Chain Co., Ltd. ("Shenzhen CIMC Tongchuang Supply Chain")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Investment holding	RMB200,000,000	-	75.75%

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

(i) Domestic subsidiaries (Continued)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
77	Tianjin Yongwang Machinery Equipment Leasing Co. Ltd. ("Tianjin Yongwang Machinery Equipment")	Business entity	Tianjin	Tianjin	Financial service	RMB6,500,000,000	-	15.00%
78	Shenzhen CIMC special car Co., Ltd. ("CIMCSV")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Development, production and sales of various special-use vehicles, as well as relevant components and parts	RMB200,000,000	-	63.33%
79	CIMC Kaitong Logistics Development Co. Ltd. ("CIMC Kaitong Logistics Development")	Business entity	Nanjing Jiangsu	Nanjing Jiangsu	Logistics service	RMB150,000,000	-	51.00%
80	Jiangsu Kaitong Shipping Co. Ltd. ("Jiangsu Kaitong")	Business entity	Nanjing Jiangsu	Nanjing Jiangsu	Logistics service	RMB20,000,000	-	51.00%
81	CIMC Offshore Holdings Co., Ltd. ("CIMC Offshore Holdings")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Investment holding	RMB2,335,000,000	100.00%	-
82	Shenzhen CIMC Cold Chain Technology Co., Ltd. ("Shenzhen CIMC Cold Chain Technology")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Cold chain equipment design, R&D, sales, leasing, logistics services and technical consultation	RMB20,000,000	-	70.00%
83	Jiangsu Trailer Leasing Co., Ltd. ("Jiangsu Trailer Leasing")	Business entity	Jiangsu	Jiangsu	Rental of equipment, and car, Maintenance of leasing equipment and facilities, information system integration services, transportation and unloading services	RMB200,000,000	-	50.66%

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

(i) Domestic subsidiaries (Continued)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
84	CIMC Kaitong Jiangsu International Multimodal Transport Co., Ltd. ("Kaitong Jiangsu International Multimodal Transport")	Business entity	Nanjing Jiangsu	Nanjing Jiangsu	Logistics service	RMB20,000,000	-	26.01%
85	Jiangsu CIMC New environmental Protection Material Co., Ltd. ("Jiangsu Xincai")	Business entity	Nantong Jiangsu	Nantong Jiangsu	Development, manufacture and sale of bamboo production, Wooden production, floor, environmental friendly plate and plastic pellets	RMB50,000,000	-	57.00%
86	Shenzhen CIMC Huijie Supply Chain Co., Ltd. ("CIMC Huijie")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Supply chain management and related services, technology development of coating and paint, sale of rubber production	RMB100,000,000	-	81.87%
87	Yantai CIMC Blue Ocean Technology Co., Ltd. ("Yantai Blue Ocean")	Business entity	Yantai Shandong	Yantai Shandong	Marine fishery culture, development, design and Consulting services of fishery equipment and structure. Sale of fishery related equipment	RMB50,000,000	-	95.00%
88	Qianhai Jiyun Industrial Development (Shenzhen) Co., Ltd. ("Qianhai Jiyun")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Investment on industrial garden project, information consulting, operation management	RMB30,000,000	-	100.00%
89	Shenzhen Jisheng Development Co., Ltd. ("Jisheng Development")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Investment on industry and pioneering work, project consulting	RMB50,000,000	-	71.12%
90	Shenzhen Jixing Development Co., Ltd. ("Jixing Development")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Investment on industry and pioneering work, project consulting	RMB50,000,000	-	71.12%

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

(i) Domestic subsidiaries (Continued)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
91	Shenzhen Jiyu Development Co., Ltd. ("Jiyu Development")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Investment on industry and pioneering work, project consulting	RMB50,000,000	-	71.12%
92	Shenzhen Jida Development Co., Ltd. ("Jida Development")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Investment on industry and pioneering work, project consulting	RMB50,000,000	-	71.12%

(ii) Overseas subsidiaries

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
93	CIMC Holdings (B.V.I.) Limited ("CIMC BVI")	Business entity	British Virgin Islands	British Virgin Islands	Investment holding	USD50,000	-	100.00%
94	CIMC Tank Equipment Investment Holdings Co., Ltd. ("Tank Equipment Investment")	Business entity	Hongkong China	Hongkong China	Investment holding	HKD4,680,000	-	100.00%
95	CIMC-SMM Vehicle (Thailand) CO., LTD. ("Thailand V")	Business entity	Thailand	Thailand	Production and sales of various special vehicles	THB260,000,000	-	51.93%
96	Adventure Explorer Limited ("Adventure")	Business entity	Hongkong China	Hongkong China	Investment holding	HKD1	-	100.00%
97	CIMC Intermodal Equipment ("CIE")	Business entity	USA	USA	Equipment services	EUR10,000,000	-	100.00%
98	Charm Wise Limited ("Charm Wise")	Business entity	Hongkong China	Hongkong China	Investment holding	USD50,000	-	100.00%

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

(ii) Overseas subsidiaries (Continued)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
99	CIMC Air Marrel SAS ("Air Marrel")	Business entity	France	France	Aviation equipment	EUR1,200,000	–	50.75%
100	CIMC Logistics Service (Thailand) Co., LTD. ("Thailand Service")	Business entity	Thailand	Thailand	Logistic services	THB60,000,000	–	60.00%
101	China International Marine Containers (Hong Kong) Limited ("CIMC Hong Kong")	Business entity	Hongkong China	Hongkong China	Investment holding	HKD2,000,000	100.00%	–
102	Global Pacific Link Limited ("Global Pacific")	Business entity	Hongkong China	Hongkong China	Logistic services	HKD10,000	–	80.00%
103	CIMC Intermodal Development USA Co ("CIDC USA")	Business entity	USA	USA	Logistic services	USD5,000	–	80.00%
104	Sharp Vision Holdings Limited ("Sharp Vision")	Business entity	Hongkong China	Hongkong China	Investment holding	HKD1	–	100.00%
105	Taisun Resources Development Pte Ltd. ("Taisun Resources")	Business entity	Singapore	Singapore	Investment holding	SGD1	–	85.00%
106	Verbus International Limited ("Verbus")	Business entity	UK	UK	Holding company	GBP1,108	–	100.00%
107	CIMC DEVELOPMENTS LTD. ("CIMC Developments")	Business entity	UK	UK	General contractor	GBP1	–	100.00%
108	VERBUS SYSTEMS LTD. ("Verbus Systems")	Business entity	UK	UK	Modular assembly	GBP1	–	100.00%
109	Allpro Investment Limited ("Allpro")	Business entity	Hongkong China	Hongkong China	Project company	HKD1	–	100.00%

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

(ii) Overseas subsidiaries (Continued)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
110	CIMC Financial Leasing (HK) Co Ltd. ("Financial Leasing (HK)")	Business entity	Hongkong China	Hongkong China	Financial leasing	HKD500,000	-	100.00%
111	CIMC Offshore Holdings Limited ("CIMC Offshore")	Business entity	Hongkong China	Hongkong China	Investment holding	HKD2,629,240,000	-	85.00%
112	Bluepicture Investment Limited ("Bluepicture")	Business entity	UK	UK	Investment holding	GBP100	-	100.00%
113	Sharp Finder Limited ("Sharp")	Business entity	Hongkong China	Hongkong China	Project company	USD1	-	98.00%
114	Hongkong CIMC TianDa Airport Support Ltd. ("TAS Hong Kong")	Business entity	Hongkong China	Hongkong China	Investment holding	HKD1,000,000	-	50.84%
115	CIMC Development (Australia) Pty Ltd. ("Development Australia")	Business entity	Australia	Australia	Project general contractor	AUD 8,000,000	-	100.00%
116	CIMC Westhill Limited ("CIMC Westhill")	Business entity	Hongkong China	Hongkong China	Project company	USD1	-	100.00%
117	Sharp Manner Limited ("Sharp Manner")	Business entity	Hongkong China	Hongkong China	Project company	USD1	-	100.00%
118	Sharp Noble Limited ("Sharp Noble")	Business entity	Hongkong China	Hongkong China	Project company	USD1	-	100.00%
119	Bayone Corporation ("Bayone")	Business entity	USA	USA	Project company	USD10	-	100.00%
120	CIMC Vehicles (Bahrain) Factory WLL	Business entity	Bahrain	Bahrain	Vehicle equipment services	KWD565,000	-	44.33%

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

(ii) Overseas subsidiaries (Continued)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
121	CIMC MBS Hong Kong Limited ("MBS (HK)")	Business entity	Hongkong China	Hongkong China	Investment holding	HKD50,000	-	100.00%
122	CIMC FORTUNE HOLDINGS LIMITED ("Fortune")	Business entity	Hongkong China	Hongkong China	Financial Services	USD1,000,000	100.00%	-
123	CIMC Modula Building Systems (Australia) Pty Ltd. ("MBS AU")	Business entity	Australia	Australia	Module supply	AUD500,000	-	100.00%
124	EVERISE CAPITAL PTY LTD. ("EVERISE")	Business entity	Australia	Australia	Investment holding	AUD10	-	100.00%
125	GLOBAL PLUS PTY LTD. ("GLOBAL")	Business entity	Australia	Australia	Investment holding	AUD1	-	100.00%
126	HARVEST AVENUE PTY LTD. ("HARVEST")	Business entity	Australia	Australia	Investment holding	AUD1	-	100.00%
127	CIMC-Commercial Tires Inc. ("Leopard Fleet")	Business entity	USA	USA	Sale service of tire	USD825,000	-	34.83%

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(2) The Group does not have subsidiaries obtained through combination under common control

(3) Subsidiaries acquired through combinations not under common control

(i) Domestic subsidiaries

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
1	Luoyang CIMC Lingyu Automobile CO., LTD. ("LYV")	Business entity	Luoyang Henan	Luoyang Henan	Production and sales of passenger car, tank car; machining; operation of import and export business	RMB122,745,700	-	45.26%
2	Wuhu CIMC Ruijiang Automobile CO LTD. ("WHVS")	Business entity	Wuhu Anhui	Wuhu Anhui	Development, production and sales of various special vehicles, ordinary mechanical products and metal structure parts	RMB161,786,100	-	45.76%
3	Liangshan Dongyue Vehicle Co., Ltd. ("LSDYV")	Business entity	Liangshan Shandong	Liangshan Shandong	Production and sales of mixing truck, special vehicle and components and parts	RMB90,000,000	-	44.39%
4	Qingdao CIMC Container Manufacture Co., Ltd. ("QDCC")	Business entity	Qingdao Shandong	Qingdao Shandong	Manufacture and repair of container, processing and manufacture of various mechanical parts, structures and equipment	USD27,840,000	-	100.00%
5	Qingdao CIMC Reefer Container Manufacture Co., Ltd. ("QDCRC")	Business entity	Qingdao Shandong	Qingdao Shandong	Manufacture and sale of refrigeration and heat preservation device of reefer container, refrigerator car and heat preservation car; providing maintenance service	USD86,846,680	-	100.00%
6	Tianjin CIMC North Ocean Container Co., Ltd. ("TJCMC")	Business entity	Tianjin	Tianjin	Manufacture and sales of container, vehicles and ships, after-sales service of containers	USD15,469,300	47.50%	52.50%
7	Shanghai CIMC Baowell Industries Co. Ltd. ("SBWI")	Business entity	Shanghai	Shanghai	Manufacture and sale of container as well as relevant	USD28,500,000	-	94.74%

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(3) Subsidiaries acquired through combinations not under common control (Continued)

(i) Domestic subsidiaries (Continued)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
8	CIMC Vehicles (Shandong) Co. Ltd. ("KGR")	Business entity	Zhangqiu Shandong	Zhangqiu Shandong	Development and manufacture of special cars and other series products	USD18,930,100	–	55.10%
9	Dongguan Zhengyi Investment Co., Ltd. ("Dongguan Zhengyi")	Business entity	Dongguan Guangdong	Dongguan Guangdong	Investment, development and operating of real estate	RMB68,027,200	–	43.05%
10	Qingdao Lida Chemical Co., Ltd. ("Qingdao Lida Chemical")	Business entity	Shandong	Shandong	Manufacture and sale of sealant products. Production and sales of rubber parts, plastic parts and waterborne coatings	RMB30,000,000	–	53.06%
11	Qingdao CIMC New Material Co., Ltd. ("Qingdao Xincai")	Business entity	Shandong	Shandong	Manufacture and sale of plastic and rubber parts, and metal construction; Development of container parts	RMB6,000,000	–	53.06%
12	Yangjiang East Furi Real Estate Co., Ltd. ("Yangjiang Real Estate")	Business entity	Yangjiang Guangdong	Yangjiang Guangdong	Development and operating of real estate. Real estate planning and consulting, sale of building material, and interior decoration project	RMB10,000,000	–	44.00%
13	Donghua Container Transportation Service Co., Ltd. ("DHCTS")	Business entity	Shanghai	Shanghai	Container cargo devanning, vanning; canvass for cargo; allotment and customs declaration; container maintenance and stockpiling; supply of components	USD4,500,000	–	70.00%
14	Yangzhou Tonglee Reefer Container Co., Ltd. ("TLC")	Business entity	Yangzhou Jiangsu	Yangzhou Jiangsu	Manufacture and sale of reefer container and special container; providing relevant technical advisory and maintenance service	USD236,920,000	–	100.00%

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(3) Subsidiaries acquired through combinations not under common control (Continued)

(i) Domestic subsidiaries (Continued)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
15	Qingdao Kooll Logistics Co., Ltd. ("QDHL")	Business entity	Qingdao Shandong	Qingdao Shandong	Container warehousing, stockpiling, devanning, vanning, load and unload, cleaning, maintenance; goods processing	RMB20,000,000	-	80.00%
16	Zhenhua Logistics Group Co., Ltd. ("Zhenhua Group")	Business entity	Tianjin	Tianjin	Container and cargo distribution, freight and repairment	USD51,950,000	-	75.00%
17	Xiamen Hongxin Berg Leasing Co. Ltd. ("Hongxin Berg")	Business entity	Xiamen Fujian	Xiamen Fujian	Financial leasing and leasing business	USD21,300,000	-	51.00%
18	Tianjin Zhenhua International Logistics Co. Ltd. ("Zhenhua IL")	Business entity	Tianjin	Tianjin	Non-vessel carrier, freight agent	RMB133,970,000	-	75.00%
19	Brigantine Services (Shenzhen) Co., Ltd. ("Shenzhen Brigantine")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Provides a container and ship repair services and related technical	HKD7,500,000	-	70.00%
20	Brigantine Services (Shanghai) Co., Ltd. ("Shanghai Brigantine")	Business entity	Shanghai	Shanghai	Container ship and its parts, mechanical repair, maintenance services	USD510,000	-	70.00%
21	C&C Trucks marketing service Co., Ltd. ("C&C Marketing Service")	Business entity	Wuhu Anhui	Wuhu Anhui	Sale and agency of various kinds of heavy truck special-use vehicles, engineering machinery, automobile chassis engine and relevant components and parts	RMB500,000,000	-	70.06%
22	Jiajing Technology Co., Ltd. ("Jiajing Technology")	Business entity	Wuhu Anhui	Wuhu Anhui	Industrial design and new technology development mainly about automobile and its accessories	RMB10,000,000	-	70.06%

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(3) Subsidiaries acquired through combinations not under common control (Continued)

(i) Domestic subsidiaries (Continued)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
23	Yantai CIMC Raffles offshore Ltd. ("CIMC Raffles")	Business entity	Yantai Shandong	Yantai Shandong	Construction of dock; Designation, production of ship; production of equipment of pressure and offshore oil platform	RMB2,291,190,000	-	83.20%
24	Yantai CIMC Raffles ship Co., Ltd. ("YCRS")	Business entity	Yantai Shandong	Yantai Shandong	Construction of ship as well as component; sales of container and offshore oil platform channel and steel production	RMB125,980,000	-	70.95%
25	Ruiji Logistics (Wuhu) Co., Ltd. ("WHRJL")	Business entity	Wuhu Anhui	Wuhu Anhui	Sale and agency of various kinds of heavy truck special-use vehicles, engineering machinery	RMB20,490,000	-	83.12%
26	C&C Trucks Co., Ltd. ("C&C Trucks")	Business entity	Wuhu Anhui	Wuhu Anhui	Sale and agency of various kinds of heavy truck special-use vehicles, engineering machinery	RMB1,570,000,000	70.06%	-
27	Anhui FeiCai (Group) Co., Ltd. ("Anhui FeiCai (Group)")	Business entity	Xuancheng Anhui	Xuancheng Anhui	Manufacture and sale of agricultural vehicles agricultural machinery and relevant accessories	RMB158,000,000	-	70.06%
28	Yangzhou CIMC Tong Hua Special Vehicles Co., Ltd. ("YZTH")	Business entity	Yangzhou Jiangsu	Yangzhou Jiangsu	Development, production and sales of various special-use vehicles, refitting vehicles, special vehicles and trailer series	RMB434,300,800	-	63.33%
29	Ningxia Chang Ming Natural Gas Development Co., Ltd. ("Ningxia Chang Ming")	Business entity	Wuzhong Ningxia	Wuzhong Ningxia	Natural gas production; Sales and Leasing of Natural Gas Equipment · Technical Consultation of Oil and Gas Projects	RMB223,620,000	-	55.16%

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(3) Subsidiaries acquired through combinations not under common control (Continued)

(i) Domestic subsidiaries (Continued)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
30	Shanghai Jindun Special Vehicle Equipment Co., Ltd. ("Shanghai Jindun")	Business entity	Shanghai	Shanghai	R&D and Production of Fire Trucks Fire fighting equipment and spare parts, etc.	RMB83,330,000	-	51.00%
31	Shenyang Jietong Fire Truck Co., Ltd. ("Shenyang Jietong")	Business entity	Shenyang Liaoning	Shenyang Liaoning	Manufacturing and Sales of Fire Trucks and Fire Fighting Equipment · Fire truck repair, renovation, sales, etc.	RMB120,000,000	-	30.06%

(ii) Overseas subsidiaries

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
32	Brigantine International Holdings Limited ("Brigantine International Holdings")	Business entity	Hongkong	Hongkong	Investment holding	HKD10,000,000	-	70.00%
33	Brigantine Services Limited ("Hongkong Brigantine Services")	Business entity	Hongkong	Hongkong	Container repair and renovation, container trade	HKD5,000,000	-	70.00%
34	Albert Ziegler GmbH ("Ziegler")	Business entity	Germany	Germany	Marine engineering design	EUR13,543,000	-	80.42%
35	Bassoe Technology AB ("Bassoe")	Business entity	Sweden	Sweden	Designation of Marine engineering	SEK1,000,000	-	100.00%
36	CIMC MBS LIMITED ("CIMC MBS")	Business entity	UK	UK	Module supply	GBP3,884,303	-	100.00%

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(3) Subsidiaries acquired through combinations not under common control (Continued)

(ii) Overseas subsidiaries (Continued)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
37	Enric Energy Equipment Holdings Limited ("Enric")	Business entity	Cayman Islands	Cayman Islands	Investment holding	HKD120,000,000	-	68.59%
38	CIMC Raffles Offshore (Singapore) Limited ("Offshore (Singapore)")	Business entity	Singapore	Singapore	Production of various ship for offshore oil and gas, including jack-up drilling platforms, semi-submersible drilling platforms, FPSOs, FSOs	SGD594,416,915 & USD453,993,377	-	85.00%
39	Pteris Global Ltd. ("Pteris")	Business entity	Singapore	Singapore	Investment holding	SGD104,781,000	-	50.75%
40	CIMC VEHICLES UK LIMITED ("Vehicles UK")	Business entity	UK	UK	Transport equipment	GBP1,000,000	-	63.33%
41	CIMC TGE GAS INVESTMENT SA ("TGE SA")	Business entity	Luxembourg	Luxembourg	Investment holding	EUR50,000	-	60.00%

(4) Significant partial disposal of subsidiary equity in current period (not losing control)

There is no significant partial disposal of subsidiary equity in current period (not losing control).

(5) Significant transactions with minority shareholder in current period

There are no significant transactions with minority shareholder in current period.

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

2. Equity in associates and joint ventures

(1) Basic information of major associates and joint ventures

	Main Premises	Registration Place	Nature of business	Strategic for the group or not	Shareholding percentage – Direct	Shareholding percentage – Indirect
Joint ventures –						
NKY Zhenhua	Tianjin	Tianjin	Logistics support business	No	–	38.25%
Y&C Engine	Wuhu Anhui	Wuhu Anhui	Manufacture and sales of heavy-duty engines and components and parts	Yes	–	35.03%
Associates –						
LiHua Energy	Bazhou, Hebei	Bazhou, Hebei	Gas warehousing and transportation business	No	–	15.58%
Shanghai Feng-yang	Shanghai	Shanghai	Real estate	Yes	–	40.00%
CMIC Ocean En-Tech Holding Co., Ltd (Renamed from "TSC" as Ocean En-Tech)	Houston (USA)	Cayman Islands	Land and sea drilling platform business	Yes	–	13.12%
Jiahua Shipping	Hong Kong	Hong Kong	Logistics support business	No	–	30.00%
Zhoushan Changhong	Zhoushan Zhejiang	Zhoushan Zhejiang	Maintenance of ship	No	–	14.75%
Shangrong Real Estate	Shenzhen	Shenzhen	Real estate	Yes	–	49.00%

The equity mentioned above is measured by equity method.

(2) Excess deficit of associates and joint ventures

There are no excess deficit of associates or joint ventures in current period.

VII EQUITY OF THE STRUCTURED BODY NOT INCLUDED IN THE CONSOLIDATION RANGE OF THE CONSOLIDATED FINANCIAL STATEMENTS

There is no equity of the structured body not included in the consolidation range of the consolidated financial statements.

Notes to the Financial Statements

For the period started from 1 January and ended 30 June 2019

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1. The company does not have any holding company
2. For the information on the subsidiaries of the Company, refer to Note VI.1
3. For the information about the joint ventures and associates of the Company, refer to Note VI.2.

In addition to the important the joint ventures and associates have been disclosed in to Note VI, the rest of joint ventures and associates are as follows:

	Main place of business	Registered Address	The nature of the business	The group activity is strategic	Shareholding percentage – direct	Shareholding percentage – indirect
Associates-						
Zhejiang Xinlong Bamboo	Zhejiang	Zhejiang	Bamboo wood	No	–	30.00%
Qingchen Bamboo	Fujian	Fujian	Bamboo wood	No	–	30.00%
Ocean En-Tech	Houston (U.S.A)	Cayman Islands	Land and Ocean Drilling Platform	Yes	–	13.12%
Xiamen CIMC Haitou Container Service Co., Ltd.	Xiamen	Xiamen	Logistics service	No	–	45.00%
Qingdao Port International Trade Logistics Co., Ltd.	Qingdao	Qingdao	Commercial company	No	–	30.00%
Nantong New Atlantic	Nantong	Nantong	Environmental protection board service	No	–	20.00%
Runyu Real Estate	Zhenjiang	Zhenjiang	Real estate	No	–	12.30%
Xuzhou CIMC Wood	Xuzhou	Xuzhou	Bamboo wood	No	–	35.00%

4. Information of other related parties

Company name	Nature of relationship
Shaanxi Heavy Duty Automobile	Minority shareholder of subsidiary
ORIENT OVERSEAS CONTAINER LINE LTD	Subsidiary of significant shareholder
Oriental International Container (Lianyungang) Limited	Subsidiary of significant shareholder
Oriental International Container (Jinzhou) Limited	Subsidiary of significant shareholder
SUMITOMO CORPORATION	Minority shareholder of subsidiary
Zhongze Rubber Group Co., Ltd.	Minority shareholder of subsidiary
Oriental International Container (Guangzhou) Limited	Subsidiary of significant shareholder
China Merchants Bureau Shekou Industrial Zone Holding Co., Ltd.	Subsidiary of significant shareholder
Gasfin Inverstment S.A. (“Gasfin”)	Minority shareholder of subsidiary

Note: Significant shareholders represent shareholders holding more than 5% (inclusive) of the Company's shares.

Notes to the Financial Statements

For the period started from 1 January and ended 30 June 2019
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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions

The following transactions with related parties were conducted under normal commercial terms or relevant agreements

(1) Purchase of goods and receiving of services

The Group

Name	Nature of the transaction	For the period from 1 January to 30 June In 2019 Amount	For the period from 1 January to 30 June In 2018 Amount
Shaanxi Heavy Duty Automobile	Purchase of goods	172,588	31,051
Y&C Engine	Purchase of goods	164,553	263,028
Qingchen Bamboo	Purchase of goods	42,252	7,306
Zhongze Rubber Group Co., Ltd	Purchase of goods	27,741	6,831
Ningguo Guangshen	Purchase of goods	20,139	–
Zhejiang Xinlong Bamboo	Purchase of goods	19,837	277
Xuzhou CIMC Wood	Purchase of goods	11,954	445
Ocean En-Tech	Purchase of goods	721	55,580
Jiangsu Baojing Automobile Parts Co., Ltd.	Purchase of goods	–	19,589
Other related parties	Purchase of goods	1,345	498
Sub-total		461,130	384,605
Other related parties	Receiving of services	13,265	4,065

The Company

Emoluments of the directors, supervisor and senior management of the Company refer to VIII.5(4).

Notes to the Financial Statements

For the period started from 1 January and ended 30 June 2019

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(2) Sales of goods and rendering of services

The Group

Name	Nature of the transaction	For the period from 1 January to 30 June In 2019 Amount	For the period from 1 January to 30 June In 2018 Amount
Shaanxi Heavy Duty Automobile	Purchase of goods	490,222	576,742
ORIENT OVERSEAS CONTAINER LINE LTD	Purchase of goods	43,703	–
New Horizon Shipping UG	Purchase of goods	24,749	–
Oriental International Container (Lianyungang) Limited	Purchase of goods	16,592	40,681
Oriental International Container (Jinzhou) Limited	Purchase of goods	8,686	19,991
SUMITOMO CORPORATION	Purchase of goods	8,397	9,929
Zhongze Rubber Group Co., Ltd	Purchase of goods	5,854	–
Oriental International Container (Guangzhou) Limited	Purchase of goods	5,813	30,299
Y&C Engine	Purchase of goods	4,878	14
Xiamen CIMC Haitou Container Service Co., Ltd.	Purchase of goods	2,767	726
Florens Container Services Ltd.	Purchase of goods	–	830,168
Florens Container Corporation S.A.	Purchase of goods	–	445,226
Other related parties	Purchase of goods	2,337	1,623
Sub-total		613,998	1,955,399
Other related parties	Rendering of services	79,101	47,881

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(3) Financing

The Group

Name	Amount	Starting date	Ending date	Interest income earned/interest expense recognised or the period from 1 January to 30 June In 2019	Note
Financing received					
Gasfin	19,134	19 September 2008	Repayment date not fixed	275	Loans for Proportionate shareholder operation
Country Garden	1,754,527	24 August 2018	Repayment date not fixed	19,606	Loans for Proportionate shareholder operation
Shenzhen Weixin Software Technology Co., Ltd.	1,025,388	26 May 2019	Repayment date not fixed	–	Loans for shareholder operation
Shenzhen Taiziwan Commercial Real Estate Co., Ltd.	588,000	3 February 2019	1 July 2019	–	Funds lending
	<u>3,387,049</u>				
Financing provided					
Country Garden and its subsidiaries	1,762,546	30 September 2016	Repayment date not fixed	–	Loans for shareholder operation
		10 August 2018	Repayment date not fixed	–	Loans for Proportionate shareholder operation
		12 October 2018	Repayment date not fixed	–	Loans for shareholder operation
Runyu Real Estate	218,471	31 December 2012	Repayment date not fixed	30,116	Loans for Proportionate shareholder operation
Shanghai Fengyang	34,204	25 December 2017	Repayment date not fixed	–	Loans for Proportionate shareholder operation
Nantong New Atlantic	10,736	19 November 2018	Repayment date not fixed	–	Loans for Proportionate shareholder operation
China Merchants Shekou Industrial Zone Holdings Co., Ltd	50,998	5 November 2017	1 July 2019	–	Funds lending
	<u>2,076,955</u>				

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For the period started from 1 January and ended 30 June 2019

(All amounts in RMB'000 unless otherwise stated)

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(4) Other related party transactions

- (i) The Company adopted a new share options scheme since 28 September 2010 (see Note IX). Details of unexercised share options granted to key management personnel as at 30 June 2019 are as follows:

Name	Position	Number of granted share options (in'0000)
Mai Boliang	President, Chairman	342
Gao Xiang	Vice Chairman	45
Li Yinhui	Vice Chairman	90
Huang Tianhua	Vice Chairman	–
Yu Yuqun	Vice Chairman, Secretary of the Board and Company Secretary	90
Zeng Han	General Manager of Finance Department	34.7
Total		601.7

Some key management personnel were not only granted the above share options of the Company but also were granted share options of Enric, the subsidiary of the Company. Details of unexercised share options granted to key management personnel as at 30 June 2019 are as follows:

Name	Position	Number of granted share options (in'0000)
Gao Xiang	Vice Chairman	172.2
Yu Yuqun	Vice Chairman, Secretary of the Board and Company Secretary	129.8
Total		302

Note : On March 27, 2019, approved by the 3rd meeting of the 8th Board of Directors in 2019, Mr. Wu Fapei ceased to be Vice President of the Company due to his age since March 28, 2019. At the same time, with the approval of the President of the Group, Mr. Wu Fapei has been appointed as senior consultant of the Group since March 28, 2019. As of this announcement date, Mr. Wu Fapei holds 900,000 outstanding A-share stock options and 500,000 outstanding stock options of Enric.

For detailed information for fair value of the granted share options aforesaid, please refer to Note IX.

Notes to the Financial Statements

For the period started from 1 January and ended 30 June 2019
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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(4) Other related party transactions (Continued)

(ii) Emoluments of the directors, supervisor and senior management of the Company

Directors', supervisor's and senior management personnel's emoluments for the period from 31 January to 30 June 2019 are as follows:

Name	Remuneration	Emoluments for other management service of the Company or subsidiaries				Total	
		Salary and allowance	Pension	Bonus	Others		
Directors							
Wang Hong	-	-	-	-	-	-	
劉冲	-	-	-	-	-	-	
Mai Boliang	-	1,590	41	5,760	226	7,617	
Hu Xianfu	-	-	-	-	-	-	
Ming Dong	Note (ii)	-	-	-	-	-	
Wang Yuhang	Note (i)	-	-	-	-	-	
He Jiale	Note (ii)	20	-	-	-	20	
Pan Zhengqi	Note (ii)	120	-	-	-	120	
Lv Fengmeiyi	Note (ii)	-	-	-	-	-	
Pan Chengwei	Note (iii)	100	-	-	-	100	
Wang Guixun	Note (iii)	100	-	-	-	100	
Sub-total		340	1,590	41	5,760	226	7,957
Supervisors							
Xiong Bo		-	196	13	164	5	378
Lou Dongyang	Note (ii)	-	-	-	-	-	-
Lin Feng		-	-	-	-	-	-
Wang Hongyuan	Note (iv)	-	-	-	-	-	-
Sub-total		-	196	13	164	5	378
Other Senior Executives							
Gao Xiang		-	929	76	2,170	16	3,191
Li Yinhui		-	744	68	1,636	16	2,464
Huang Tianhua		-	710	73	2,064	16	2,863
Yu yuqun		-	738	42	2,190	16	2,987
Zeng Han		-	602	56	882	16	1,556
Wu Fapei	Note (v)	-	332	-	-	-	332
Sub-total		-	4,056	315	8,942	80	13,393
Total		340	5,841	370	14,866	311	21,729

Note (i): On March 27, 2019, with the approval of the third meeting of the eighth board of directors in 2019, Mr. Wang Yuhang will no longer serve as the non-executive director of the company after the term of office of the eighth board of directors expires.

Note (ii): On June 3, 2019, with the approval of the first meeting of the ninth board of directors in 2019, Mr. Mingdong, Mr. Ho Jiale, Ms. Lv Feng Meiyi and Mr. Pan Zhengqi were elected as independent non-executive directors of the ninth board of directors. Mr. Lou Dongyang was elected as the representative supervisor of shareholders of the Ninth Board of Supervisors.

Note (iii): On March 27, 2019, with the approval of the third meeting of the eighth board of directors in 2019, Mr. Pan Chengwei and Mr. Wang Guicheng will no longer serve as independent non-executive directors of the company after the term of office of the eighth board of directors expires.

Note (iv): On March 27, 2019, with the approval of the third meeting of the eighth board of directors in 2019, Mr. Wang Hongyuan will no longer serve as the supervisor of the company after the term of office of the eighth board of supervisors expires.

Note (v): On March 27, 2019, approved by the 3rd meeting of the 8th Board of Directors in 2019, Mr. Wu Fapei ceased to be Vice President of the Company due to his age since March 28, 2019. At the same time, with the approval of the President of the Group, Mr. Wu Fapei has been appointed as senior consultant of the Group since March 28, 2019.

The five individuals who received the highest are included aforesaid from January to June 2019.

Notes to the Financial Statements

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(4) Other related party transactions (Continued)

(ii) Emoluments of the directors, supervisor and senior management of the Company (Continued)

Directors', supervisor's and senior management personnel's emoluments for the period from 1 January to 30 June 2018 are as follows:

Name	Remuneration	Emoluments for other management service of the Company or subsidiaries				Total
		Salary and allowance	Pension	Bonus	Others	
Directors						
Wang Hong	-	-	-	-	-	-
Wang Yuhang	-	-	-	-	-	-
Mai Boliang	-	1,428	36	-	226	1,690
Wang Zhixian	-	-	-	-	-	-
Hu Xianfu	-	-	-	-	-	-
Liu Chong	-	-	-	-	-	-
Pan Chengwei	107	-	-	-	-	107
Wang Guixun	107	-	-	-	-	107
Pan Zhengqi	107	-	-	-	-	107
Sub-total	321	1,428	36	-	226	2,011
Supervisors						
Xiong Bo	-	179	21	54	7	261
Zhang Mingwen	-	-	-	-	-	-
Lv Shengzhou	-	-	-	-	-	-
Wang Hongyuan	-	-	-	-	-	-
Sub-total	-	179	21	54	7	261
Other Senior Executives						
Gao Xiang	-	749	60	-	15	824
Wu Fapei	-	662	58	-	18	738
Li Yinhui	-	431	57	-	18	506
Yu Yuqun	Note (i)	696	36	-	18	750
Huang Tianhua	Note (i)	271	26	-	9	306
Zeng Han	-	482	45	-	18	545
Li Guiping	Note (i)	360	14	-	6	380
Liu Xuebin	Note (ii)	345	29	-	9	383
Zhang Baoqing	Note (iii)	332	-	-	-	332
Yu Ya	Note (iii)	375	-	-	-	375
Yang Rong	-	191	19	-	6	216
Sub-total	-	4,894	344	-	117	5,355
Total	321	6,501	401	54	350	7,627

Note (i): After deliberation at the sixth meeting of the eighth session of the Board of Directors of the Company in 2018, Mr. Yu Yuqun, Mr. Li Guiping, Mr. Huang Tianhua were appointed as vice presidents.

Note (ii): After deliberation at the sixth meeting of the eighth session of the Board of Directors of the Company in 2018, Mr. Liu Xuebin, the vice president of the company, resigned due to the personal health.

Note (iii): After deliberation at the sixth meeting of the eighth session of the Board of Directors of the Company in 2018, Mr. Yu Ya and Mr. Zhang Baoqing resigned due to the expiration of their term of office.

The five individuals who received the highest are included aforesaid for the period from 31 January to 30 June 2018.

Other benefits mainly consist of housing funds, pensions, medical insurance, etc.

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(4) Other related party transactions (Continued)

(iii) Termination benefits for directors

For the period from 1 January to 30 June 2019, there was no compensation for directors with terminated appointment from the Company and the subsidiaries. (For the period from 1 January to 30 June 2018: Nil).

(iv) Consideration paid to third parties for service of directors

For the period from 1 January to 30 June 2019, there was no consideration paid to third parties for service of directors (For the period from 1 January to 30 June 2018: Nil).

(v) Loans, quasi-loans offered and other transactions with directors, legal entities controlled by directors and their related persons

As at 30 June 2019, there were no loans, quasi-loans and guarantees offered to directors, legal entities controlled by directors and their related persons (30 June 2018: Nil).

(vi) Significant interest of directors in transactions, arrangement and contracts.

During the year, the Company did not enter into any agreement that related to the business of the Group, in which the directors have significant interest in transactions, arrangement and contracts directly or indirectly (For the period from 1 January to 30 June 2018: Nil).

(vii) The five individuals who received the highest remuneration from the Group for the period from 1 January to 30 June 2019 have been listed in the table above.

Notes to the Financial Statements

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

6. Receivables due from and payables due to related parties

Refer to Note IV.5 for details of accounts receivables.

Refer to Note IV.8 for details of other receivables.

Refer to Note IV.7 for details of advances to suppliers.

Refer to Note IV.12 for details of current portion of non-current assets.

Refer to Note IV.15 for details of long-term receivables.

Refer to Note IV.27 for details of other non-current assets.

Refer to Note IV.32 for details of accounts payables.

Refer to Note IV.33 for details of advance from customers.

Refer to Note IV.37 for details of other payables.

7. Commitments in relation to related parties

As at 30 June 2019, there are no commitments in relation to related parties contracted for but not yet necessary to be recognised on the balance sheet by the Group.

Notes to the Financial Statements

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IX. SHARE-BASED PAYMENTS

1. Information about share-based payments

Total equity instruments granted during the year	The total number of share options granted by the Company and Enric was 0 this year.
Total equity instruments exercised during the year	The number of exercised share options granted by the Company and Enric were 453,000 and 1,912,000 respectively this year.
Total equity instruments forfeited during the year	The Company has no ineffective or obsolete equity instruments and Enric has no ineffective or obsolete equity instruments this period.
The exercise price of outstanding share options at the end of the year and residual life of the share options contracts	<ol style="list-style-type: none"> Equity-settled share options granted by Enric in 2009, 2011 and 2014: HKD4, HKD2.48 and HKD11.24 per share respectively, the residual life of contract is 0.36, 2.33 and 4.93 years respectively. Equity-settled share options granted by the Company in 2010 and 2011: RMB8.06 (after adjustment) and RMB12.67 (after adjustment) per share respectively the residual life of contracts is both 1.24 years.
The price of other outstanding equity instruments at the end of the year and residual life of relevant contracts	Nil.

Expenses recognised for the year arising from share-based payments are as follows:

	For the period from 1 January to 30 June in 2019	For the period from 1 January to 30 June in 2018
Equity-settled share-based payment	28,681	4,435

Notes to the Financial Statements

For the period started from 1 January and ended 30 June 2019

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IX. SHARE-BASED PAYMENTS (CONTINUED)

2. Information on equity-settled share-based payment

(1) Information on equity-settled share-based payment of Enric

Enric, a subsidiary of the Company, carried out a share options plan (the "Plan I"), which was approved by the shareholders' meeting on 11 November 2009. According to the Plan, the key management personnel and other employees in Enric were granted share options of Enric at nil consideration to subscribe for shares of Enric. The options are 50% exercisable after one year from the date of grant and are then 100% exercisable after two years from the date of grant. Each option gives the holder the right to subscribe for one ordinary share in Enric. The total number of share options granted was 43,750,000, with the exercise price of HKD4 per share.

Enric carried out another share options plan (the "Plan II"), which was approved by the shareholders' meeting on 28 October 2011. According to Plan II, the board of directors of the Company was authorised to grant share options to the key management personnel and other employees of Enric at nil consideration to subscribe for shares of Enric. The options are 40% exercisable after one year from the date of grant and, 70% exercisable after 2 years from the date of grant, and then 100% exercisable after 3 years from the date of grant. Each option gives the holder the right to subscribe for one ordinary share in Enric. The total number of share options granted was 38,200,000, with exercise price of HKD2.48 per share.

Enric, a subsidiary of the Company, carried out a share options plan (the "Plan III"), which was approved by the shareholders' meeting on 5 June 2014. According to the Plan, the key management personnel and other employees in Enric were granted share options of Enric at nil consideration to subscribe for shares of Enric. The options are 40% exercisable after two years from the date of grant, 70% exercisable after three years from the date of grant and 100% exercisable after four years from the date of grant. Each option gives the holder the right to subscribe for one ordinary share in Enric. The total number of share options granted was 38,420,000, with the exercise price of HKD11.24 per share.

Movement of share options of Enric:

	For the period from 1 January to 30 June 2019 '000	For the period from 1 January to 30 June 2018 '000
Beginning balance	66,550	76,374
Exercised in current period	(1,912)	(7,254)
Cancelled in current period	–	(345)
Forfeited in current period	–	(595)
Ending balance	64,638	68,180

Notes to the Financial Statements

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IX. SHARE-BASED PAYMENTS (CONTINUED)

2. Information on equity-settled share-based payment (Continued)

(2) Information on equity-settled share-based payment of the Company

A share options scheme (the "Scheme") was approved in the shareholders' meeting of the Company held on 28 September 2010. According to the Scheme, the board of directors of the Company was authorised to grant share options to the key management personnel and other employees to subscribe for the shares of the Company. The effective period of the Scheme is ten years from the first grant date of share options. The options are exercisable in two periods. The options are 25% exercisable from the first transaction date after 24 months since the grant date to the last transaction date after 48 months since grant date. The remaining 75% are exercisable from the first transaction date after 48 months since grant date to the last transaction date of the Scheme. Each option gives the holder the right to subscribe for one ordinary share in the Company. In addition, the holder must simultaneously satisfy all the conditions as follows:

- (a) The holder should pass the previous year's evaluation.
- (b) The increase of net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit or loss should not be lower than the 6% and the average return on net assets after deducting non-recurring profit or loss should not be lower than 10% for the previous year of the exercise date.
- (c) During the waiting period, the net profit attributable to ordinary shareholders of the Company and the net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit or loss should not be lower than the average figures of the three fiscal years before the grant day or negative.

On 12 May 2015, according to the review and approval at the eighth meeting of the seventh session of the Board of Directors in 2015, the second exercise period of the first batch of stock options reached the conditions of exercise. The actual exercise period was from 2 June 2015 to 27 September 2020, the total number of exercisable rights was 39,660,000. On 9 October 2015, according to the review and approval at the 14th meeting of the seventh session of the Board of Directors in 2015, the second exercise period of the second batch of stock options reached the conditions of exercise. The actual exercise period was from 24 October 2015 to 27 September 2020, the total number of exercisable rights was 4,132,500.

The total number of share options granted was 60,000,000, 54,000,000 among which were for the initial grant with exercise price of 12.39 per share while the remaining 6,000,000 options were for reservation.

In accordance with the provision of the aforesaid share option plan, the Board of Directors of the Company made corresponding adjustments to the 54 million shares option exercise price granted on 28 September 2010 which in accordance with the annual dividend distribution plan implemented after the award period. After the adjustment, the exercise price is RMB8.06 per share.

The shareholders meeting of the Company which held on 22 September 2011 granted 6 million reserved stock options in the share option plan approved by the Company's general meeting of shareholders on 28 September 2010 at an exercise price of RMB17.57 per share. The aforesaid option exercise price was adjusted to RMB12.67 based on the annual dividend payment plan implemented after the grant period.

Notes to the Financial Statements

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IX. SHARE-BASED PAYMENTS (CONTINUED)

2. Information on equity-settled share-based payment (Continued)

(2) Information on equity-settled share-based payment of the Company (Continued)

Movement of share options of the Company:

	For the period from 1 January to 30 June 2019 '000	For the period from 1 January to 30 June 2018 '000
Beginning balance	18,817	20,917
Exercised in current period	(453)	(2,067)
Impact of 2018 dividend distribution (Note)	3,763	–
Ending balance	22,127	18,850

Note: Dividend distribution for the year 2018 was completed on 28 June 2019. Additional 2 new shares were issued to all shareholders for every 10 shares being held by way of conversion of capital surplus.

(3) Basis of the best estimate of the number of equity instruments expected to vest is as follows:

At each balance sheet date during the vesting period, the Company makes the best estimation according to the latest information of the number of employees who are granted to vest and revises the number of equity instruments expected to vest. On vesting date, the estimate shall be equal to the number of equity instruments that ultimately vested.

There was no significant difference of estimation between current period and last year.

As at 30 June 2019, accumulated amount recognised in capital reserve for equity-settled share-based payments	421,973
Total expenses recognised for equity-settled share-based payments for current period	
Including:	
– attributed to The Company	–
– attributed to Enric	28,681
	28,681

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IX. SHARE-BASED PAYMENTS (CONTINUED)

3. Restricted share award scheme

The shareholders of Company approved the Restricted Share Award Scheme (2018) (the "Award Scheme") on 10 August 2018 (the "Grant Date"). Subsequently 46,212,500 restricted shares were issued and allotted to a trustee which holds the restricted shares on behalf of the selected participants until the restricted shares are vested. Selected participants are entitled to the related distribution derived from the relevant restricted shares during the period from the date of the issue of the restricted Shares to the vesting date (both dates inclusive) of such restricted shares, which shall however only be vested by the relevant selected participant on the vesting date subject to fulfilment of vesting conditions of the restricted shares.

The selected participants include certain Directors of the Company, certain members of senior management and employees of the Group who under the terms of the Award Scheme subscribed for the restricted shares at HKD3.71 per share (the "Subscription Price").

Under the terms of the Award Scheme, if the vesting conditions are fulfilled, the restricted shares shall be vested by 30%, 30% and 40% by April 2019, April 2020 and April 2021, respectively.

For the selected participants who do not meet the vesting conditions, the unvested restricted shares remaining at the end of the Award Scheme are to be forfeited.

Beginning Balance	45,912,500
Vested during the period	(13,671,750)
Outstanding as at 30 June 2019	32,540,750

The fair value of the restricted shares issued was assessed based on the market price of the Company's shares at the grant date. The expected dividends and time value of money for the expected dividends during the vesting period were taken into account when assessing the fair value of the awarded shares. The weighted average fair value of awarded shares granted during the year ended 31 December 2018 was HKD6.70 per share (equivalent to approximately RMB5.67 per share).

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X. CONTINGENCIES

1. Guarantees provided for external parties

CIMC Raffles, a subsidiary of the Group, provided the guarantee for the vessel leasing of its clients. As at 30 June 2019, the amount guaranteed by Raffles was about RMB157,625,000 (31 December 2018: RMB163,146,000).

The Group's subsidiaries, Shenyang CIMC Industrial Park Investment Development Co., Ltd. and Shaanxi CIMC Vehicles Industrial Park Investment Development Co., Ltd., cooperated with China Construction Bank and Shaanxi Xianyang Qindu Rural Commercial Bank, respectively, in mortgage credit cooperation. It signed a loan guarantee contract, which provide guarantee to the customers of two companies. As at 30 June 2019, the customer financing loans provided by the Shenyang Vehicle Industrial Park and Shaanxi Vehicle Industrial Park approximately RMB18,572,000 (31 December 2018: RMB18,176,000).

HI, a subsidiary of the Group, signed contracts with HuiShang Bank, China Industrial Bank and CIMC Finance Co Ltd, which was granted to the distributors and customers of HI and its subsidiaries arising from purchase of vehicle products. As at 30 June 2019, the aggregate amount of credit facilities in respect of which HI and its subsidiaries provided guarantees to the distributors and customers was RMB1,636,719,000 (31 December 2018: RMB863,736,000).

The Group's subsidiary, CIMC Chancheng and its holding subsidiaries, provided guarantees to purchasers of commodity homes by the way of secured loans. The amount of guarantees provided by the Group was RMB1,531,410,000 as at 30 June 2019 (31 December 2018: RMB1,073,457,000).

C&C Trucks and its subsidiaries signed contracts with external banks, pursuant to which relevant banks provided guarantees in respect of banking facilities granted to the distributors and customers of C&C Trucks and its subsidiaries arising from purchase of vehicle products. As at 30 June 2019, the aggregate amount of credit facilities in respect of which C&C Trucks and its subsidiaries provided guarantees to the distributors and customers was RMB927,688,000 (31 December 2018: RMB572,427,000).

CIMC Mordern Logistic, a subsidiary of the Group, provided the guarantee for the finance of its clients. As at 30 June 2019, the amount guaranteed by Raffles was about RMB16,864,000 (31 December 2018: No).

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X. CONTINGENCIES (CONTINUED)

2. Notes payables issued but not accounted for, outstanding letter of credit issued but undue and outstanding performance guarantees

The Group does not recognise notes payables or letter of credit issued as deposits. Corresponding inventories, advances to suppliers and notes payables are recognised at the earlier of the date of delivery of goods and the maturity date of the notes issued. As at 30 June 2019, the Group had no notes issued but not accounted and issued outstanding letters of credit RMB483,218,000 (31 December 2018: RMB423,994,000).

As at 30 June 2019, the Company had outstanding balance of guarantees for its subsidiaries RMB977,604,000, USD17,471,000 (equivalent to RMB120,403,000) and EUR77,018,000 (equivalent to RMB602,048,000) respectively, totaling RMB1,700,055,000 (31 December 2018: RMB1,485,296,000).

As at 30 June 2019, the amount of the unexpired letter of guarantee of the Group's subsidiary issued by the bank was RMB156,635,000, of which the balance of the performance guarantee was RMB71,505,000, the balance of the payment guarantee was RMB9,000,000, and the balance of the quality guarantee was RMB15,918,000. The balance of customs guarantees was RMB6,000,000, the balance of advance payment guarantees was RMB29,136,000, and the balance of the deposit guarantees was RMB25,076,000 (31 December 2018: RMB107,531,000).

As at 30 June 2019, the balance of outstanding guarantees of the Group's subsidiary TianDa Airport issued by the bank was RMB269,534,000, of which the balance of performance guarantee was RMB67,193,000, the balance of quality guarantees was RMB3,135,000, and the balance of bid bonds was RMB4,421,000. The balance of advance payment guarantee was RMB68,404,000, and the balance of Standby L/C was RMB126,381,000 (31 December 2018: RMB140,992,000).

As at 30 June 2019, the balance of outstanding guarantees of the Group's subsidiary Enric and its subsidiaries issued by the bank was RMB1,173,490,000, of which the balance of performance and quality guarantee was RMB331,924,000, the balance of advance payment guarantee was RMB646,902,000, and the balance of customs guarantees was RMB725,000. The balance of tax guarantee was RMB1,000,000, the balance of the Customs Duties guarantees was RMB83,440,000 and the balance of Retention Guarantee for Labor Cooperation was RMB3,000,000. The balance of L/C guarantee was RMB900,000, the balance of the project guarantees was RMB101,809,000 and the balance of other guarantees was RMB3,790,000 (31 December 2018: Nil).

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X. CONTINGENCIES (CONTINUED)

2. Notes payables issued but not accounted for, outstanding letter of credit issued but undue and outstanding performance guarantees (Continued)

As at 30 June 2019, CMIC Raffles had outstanding balance of guarantees issued by relevant banks was USD88,977,000 (equivalent to RMB611,523,000), and RMB158,889,000, of which the balance of advance payment guarantee was USD28,780,000 (equivalent to RMB197,801,000), RMB73,820,000, and the balance of the performance guarantee was USD60,197,000 (equivalent to RMB413,722,000), RMB85,069,000 (31 December 2018: RMB392,863,000).

As at 30 June 2019, CIMC Finance Company, the subsidiary of the Group, had outstanding balance of guarantees for the subsidiary of the Group, of which the balance was RMB19,727,000, the balance of performance guarantees was RMB8,380,000, the balance of quality guarantees was in the amount of RMB47,000, and the balance of the payment guarantee was RMB11,300,000 (31 December 2018: RMB5,587,000).

As at 30 June 2019, the amount of the unexpired letter of guarantee of the Group's subsidiary Pteris issued by the bank was RMB327,562,000, of which the balance of the performance guarantee was RMB16,765,000, and the balance of the quality guarantee was RMB5,022,000. The balance of advance payment guarantees was RMB11,531,000, the balance of deposit guarantees was RMB16,132,000, and the balance of Standby L/C guarantees was RMB278,112,000 (31 December 2018: No).

3. Significant pending litigations

EIHL, an indirect wholly-owned subsidiary of Enric and an subsidiary of the Group, received certain litigation papers including notification calling for responses to the action and summons served by the Jiangsu Province High People's Court in December 2018, where SOEG claims, amongst other things, that EIHL should pay for the remaining balance of the equity transfer of RMB153,456,000 (Note IV.8(1)(i)) in relation to the acquisition of equity interest in SOE from SOEG in 2015. The Directors of the Company were of the view that no provision shall necessarily be made on the litigation claims as of 30 June 2019 after taking into account of the progress of the current litigation.

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XI. COMMITMENTS

1. Significant commitments

(1) Capital commitments

	30 June 2019	31 December 2018
Significant fixed assets purchase contracts entered into under performance or preparation of performance	144,428	179,560
Investment contracts entered into but not performed or performed partially	–	1,761,507
Significant contracts entered into for Ships to be manufactured for sales or lease	21,529	69,516
Total	165,957	2,010,583

XII. EVENTS AFTER THE BALANCE SHEET DATE

- On 9 August 2018, as considered and approved by the 12th meeting of the eighth session of the Board in 2018, the proposal regarding the Proposed Overseas Listing of CIMC Vehicles was approved. The Company intends to spin off and make CIMC Vehicles, a subsidiary of the Company, listed on the Main Board of the Hong Kong Stock Exchange. The independent Directors of the eighth session of the Board have expressed their independent opinions on the relevant proposal. On 14 March 2019, CIMC Vehicles received the Approval on the Issuance of Overseas Listed Foreign Invested Shares of CIMC Vehicles (Group) Co., Ltd. (Zheng Jian Xu Ke [2019] No. 356) from the CSRC to issue overseas listed foreign invested share. On 31 March 2019, CIMC Vehicles submitted post hearing information pack to the Hong Kong Stock Exchange in respect of the proposed spin-off and listing, and submitted revised post hearing information pack to the Hong Kong Stock Exchange on 23 June 2019. On 27 June 2019, CIMC Vehicles published the prospectus in connection with the proposed spin-off and listing. On 10 July 2019, CIMC Vehicles published the announcement in respect of global offering and final offer price. On 11 July 2019, H shares of CIMC Vehicles were listed on the Main Board of the Hong Kong Stock Exchange and commenced trading. On 2 August 2019, the over-allotment option granted by CIMC Vehicles to international underwriters had not been exercised during the stabilization period and has lapsed on 2 August 2019. For relevant information, please refer to the announcements published by the Company on China Securities Journal, Shanghai Securities News, Securities Times, Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcement No.: [CIMC]2019-009, [CIMC]2019-029, [CIMC]2019-055, [CIMC]2019-056, [CIMC]2019-061, [CIMC]2019-062 and [CIMC]2019-066), as well as the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 14 March 2019; 31 March 2019; 23 June 2019; 27 June 2019; 10 July 2019; 11 July 2019; and 2 August 2019.

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XII. EVENTS AFTER THE BALANCE SHEET DATE (CONTINUED)

- On 7 August 2019, the issuance of the Tranche 2 Super & Short-term Commercial Papers and the Tranche 3 Super & Short-term Commercial Papers of the Company for 2019 was completed, and the proceeds raised thereof were fully received on 8 August 2019. The issue amount of the Tranche 2 Super & Short-term Commercial Papers is RMB2.1 billion with an interest rate of 2.55% per annum (annualized). China Development Bank and Bank of Shanghai Co., Ltd. is the lead underwriter and joint lead underwriter of the Tranche 2 Super & Short-term Commercial Paper, respectively. The issue amount of the Tranche 3 Super & Short-term Commercial Papers is RMB1.0 billion with an interest rate of 2.55% per annum (annualized). Ping An Bank and China CITIC Bank is the lead underwriter the joint lead underwriter of the Tranche 3 Super & Short-term Commercial Papers, respectively. For relevant information, please refer to the announcements published by the Company on China Securities Journal, Shanghai Securities News, Securities Times, Cninfo website (www.cninfo.com.cn), the Company's website (www.cimc.com) (Announcement No.: [CIMC] 2019-067) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 8 August 2019.

XIII. SEGMENT REPORTING

In accordance with the Group's internal organization structure, management requirement and internal reporting process, nine reportable segments are identified by the Group including: Containers, Road transportation vehicles, Energy and chemical & food equipment, Offshore business, Airport facilities, Logistics services, Finance, Property development and Heavy trucks. Each reportable segment is an independent business segment providing different products and services. Independent management is applied to individual business segment as different technical and market strategy are adopted. The Group reviews the financial information of individual segment regularly to determine resources allocation and performance assessment.

1. Segment profits, losses, assets and liabilities

In order to assess the segment performance and resources allocation, the Group's management review segment revenue, expenses, assets and liabilities of each segment regularly. The preparation basis of such information is detailed as follows:

Segment assets include tangible assets, intangible assets, other long-term assets and accounts receivables, etc, but exclude deferred tax assets and other un-allocated headquarter assets. Segment liabilities include payables, bank loans, provision, special payables and other liabilities, while deferred tax liabilities are exclude.

Segment profit represents revenue (including external revenue and inter-segment revenue), offsetting segment expenses, depreciation and amortisation, impairment losses, interest expenses and income attributable to individual segment. Transactions conducted among segments are under normal non-related party transaction commercial terms.

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XIII. SEGMENT REPORTING (CONTINUED)

1. Segment profits, losses, assets and liabilities (Continued)

Information to be disclosed on each of the Group's reportable segment (including management's periodically reviewed information and disclosure required by accounting standard) that the Group uses in measuring segments' profits/(losses), assets and liabilities is set out as follows:

Item	Energy and										Elimination between segments	Total
	Containers	Road transportation vehicles	Energy and chemistry & food equipment	Offshore business	Airport facilities	Logistic services	Finance	Property development	Heavy trucks	Others		
	For the Period from 1 January to 30 June 2019	For the Period from 1 January to 30 June 2019	For the Period from 1 January to 30 June 2019	For the Period from 1 January to 30 June 2019	For the Period from 1 January to 30 June 2019	For the Period from 1 January to 30 June 2019	For the Period from 1 January to 30 June 2019	For the Period from 1 January to 30 June 2019	For the Period from 1 January to 30 June 2019	For the Period from 1 January to 30 June 2019	For the Period from 1 January to 30 June 2019	For the Period from 1 January to 30 June 2019
External transaction	11,118,126	12,652,494	7,087,351	1,354,503	2,352,116	4,287,819	940,284	561,217	997,099	1,366,720	-	42,717,729
Inter segment transaction	214,374	61,104	94,364	332,576	1,432	22,497	-	2,091	114,321	535,369	(1,378,128)	-
Cost of sales from main operations	10,273,104	10,863,318	5,912,731	1,623,461	1,843,710	3,919,288	643,956	219,856	1,051,001	1,640,599	(1,450,675)	36,540,349
Investment income/(loss) in joint ventures and associates	(1,774)	2,525	-	-	169	15,948	(74)	645	10,170	(20)	(2,525)	25,064
Impairment loss for the period	316	9,440	(1,694)	-	406	(13,704)	-	-	2,716	2,391	-	(129)
Depreciation and amortization expenses	219,137	178,136	163,394	195,354	70,492	83,516	142,344	11,957	95,998	72,737	-	1,233,065
Interest income	202,163	41,545	48,084	201,314	2,542	14,039	160,245	194,387	19,355	1,447,173	(1,959,176)	371,671
Interest expenses	142,152	56,519	67,131	629,179	26,421	21,367	66,481	402,867	53,755	1,234,981	(1,826,069)	874,784
Segment operating profit/(loss)	32,723	968,774	446,899	(703,491)	84,233	117,547	279,012	211,914	(43,539)	(110,645)	356,729	1,640,156
Income tax expenses	(4,857)	123,733	83,478	(179)	10,269	26,775	79,947	133,661	159	42,994	41,956	537,936
Net profit/(loss)	37,580	845,041	363,421	(703,312)	73,964	90,772	199,065	78,253	(43,698)	(153,639)	314,773	1,102,220
Segment total assets	22,071,016	16,361,679	15,815,190	33,225,393	8,423,988	4,970,047	44,322,448	19,984,634	4,177,420	55,121,810	(60,910,355)	163,563,270
Segment total liabilities	12,606,009	8,078,865	8,858,618	36,368,470	5,420,423	3,023,234	35,336,045	13,385,639	3,637,484	51,383,656	(68,220,959)	109,877,484
Supplementary information:												
- Segment expenditures/(income) other than depreciation and amortisation	28,467	2,350	5,673	9,985	5,364	(8,955)	31,482	(1)	4,830	218,465	(50,534)	247,126
- Long-term equity investment of joint ventures and associates	138,785	102,672	15,661	40,954	21,816	555,209	228,409	3,490,325	260,092	576,915	-	5,430,838
- Segment expenditures raising from additions of non-current assets	322,504	579,030	873,610	157,509	1,032,643	59,485	185,597	146,908	54,717	248,250	126,917	3,787,170

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XIII. SEGMENT REPORTING (CONTINUED)

1. Segment profits, losses, assets and liabilities (Continued)

Information to be disclosed on each of the Group's reportable segment (including management's periodically reviewed information and disclosure required by accounting standard) that the Group uses in measuring segments' profits/(losses), assets and liabilities is set out as follows (Continued):

Item	Containers	Road transportation vehicles	Energy and chemistry & food equipment	Offshore business	Airport facilities	Logistic services	Finance	Property development	Heavy trucks	Others	Elimination between segments	Total
	For the Period from 1 January to 30 June 2018	For the Period from 1 January to 30 June 2018	For the Period from 1 January to 30 June 2018	For the Period from 1 January to 30 June 2018	For the Period from 1 January to 30 June 2018	For the Period from 1 January to 30 June 2018	For the Period from 1 January to 30 June 2018	For the Period from 1 January to 30 June 2018	For the Period from 1 January to 30 June 2018	For the Period from 1 January to 30 June 2018	For the Period from 1 January to 30 June 2018	For the Period from 1 January to 30 June 2018
External transaction	15,764,844	11,390,058	6,139,092	657,297	1,749,181	4,026,556	1,048,934	159,037	1,563,850	1,061,549	-	43,560,398
Inter segment transaction	329,302	139,403	46,588	130,893	-	36,060	-	918	56,256	1,075,039	(1,814,459)	-
Cost of sales from main operations	14,276,958	9,681,145	4,981,095	768,146	1,361,623	3,683,847	604,527	90,704	1,475,869	1,759,910	(1,631,594)	37,052,230
Investment income/(loss) in joint ventures and associates	-	893	(57)	-	(921)	13,043	(10)	-	13,096	(669)	-	25,375
Impairment loss for the period	(80)	(6,558)	6,473	13,723	557	5	-	(4,367)	-	-	-	9,753
Depreciation and amortization expenses	193,516	136,413	136,157	178,259	34,307	71,127	127,021	11,895	71,244	62,056	-	1,021,995
Interest income	100,760	41,206	11,130	22,704	1,923	15,461	153,621	27,470	7,572	819,386	(978,985)	222,248
Interest expenses	49,753	64,679	30,617	373,605	9,700	19,799	73,253	9,542	48,150	781,338	(826,330)	634,106
Segment operating profit/(loss)	312,967	802,804	390,988	(705,633)	111,465	124,322	334,886	48,502	4,761	169,634	235,115	1,829,811
Income tax expenses	99,403	176,604	92,355	(55)	25,997	40,806	28,678	10,493	(684)	32,605	7,652	513,854
Net profit/(loss)	213,564	626,200	298,633	(705,578)	85,468	83,516	306,208	38,009	5,445	137,029	227,463	1,315,957
Segment total assets	24,923,503	16,985,460	15,619,139	33,190,649	4,437,244	4,674,408	42,481,469	5,006,675	4,331,696	40,278,300	(53,660,184)	138,268,359
Segment total liabilities	16,362,266	9,767,937	10,383,698	32,024,876	2,691,628	2,526,181	34,231,111	2,259,200	4,058,267	50,619,557	(68,302,403)	96,622,318
Supplementary information:												
- Segment expenditures/(income) other than depreciation and amortisation	112,652	(803)	(21,860)	21,620	321	(5,077)	64,237	(37)	73	(93,757)	(6,537)	70,832
- Long-term equity investment of joint ventures and associates	113,595	119,806	166	31,759	546,144	529,099	439,476	140,207	229,282	301,165	-	2,450,699
- Segment expenditures raising from additions of non-current assets	526,079	298,958	216,198	115,351	72,423	72,280	3,805,860	820	29,282	206,425	(3,438,636)	1,905,040

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XIII. SEGMENT REPORTING (CONTINUED)

2. Geographic information

The following table sets out information about the geographical information of the Group's revenue from external customers and the Group's non-current assets (excluding financial assets and deferred tax assets, same for the below). The geographical locations of customers are based on the location at which the services were provided or the goods were delivered. The geographical locations of the specified non-current assets are based on the physical location of the assets (for fixed assets), or the location of the business to which they are allocated (for intangible assets and goodwill), or the location of operations of the associates and joint ventures.

Geographic information (according to the receiving party division)

	Revenue from external customers		Total non-current assets	
	For the Period from 1 January to 30 June 2019	For the Period from 1 January to 30 June 2018	30 June 2019	31 December 2018
China	21,305,095	19,512,621	61,523,879	57,483,032
Asia (exclusive of China)	3,597,098	2,936,111	658,186	699,335
America	9,172,197	13,334,479	400,683	384,761
Europe	7,629,473	7,200,593	1,866,065	1,697,877
Others	1,013,866	576,594	54,164	53,546
Total	42,717,729	43,560,398	64,502,977	60,318,551

XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES

The Group has exposure to the following risks from its use of financial instruments in the normal course of the Group's operations, which mainly include:

- Credit risk
- Liquidity risk
- Interest rate risk
- Foreign exchange risk

This note presents information about the Group's exposure to each of the above risks and their sources, the Group's objectives, policies and processes for measuring and managing risks and etc.

The Group aims to seek the appropriate balance between the risks and benefits from its use of financial instruments and to mitigate the adverse effects that the risks of financial instruments have on the Group's financial performance. Based on such objectives, the Group's risk management policies are established to identify and analyses the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The internal audit department of the Group undertakes both regular and ad-hoc reviews of risk management controls and procedures.

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

1. Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group's credit risk is primarily attributable to cash at bank, receivables and derivative financial instruments entered into for hedging purposes and etc. Exposure to these credit risks are monitored by management on an ongoing basis.

The cash at bank of the Group is mainly held with well-known financial institutions. Management does not foresee any significant credit risks from these deposits and does not expect that these financial institutions may default and cause losses to the Group.

In respect of receivables, the risk management committee of the Group has established a credit policy under which individual credit evaluations are performed on all customers to determine the credit limit and terms applicable to the customers. These evaluations focus on the external ratings of the customers and their bank credit records where available and previous payment records (if available). Receivables are due within from 30 to 90 days from the date of billing. Normally, the Group does not obtain collateral from customers, but earnest or prepayment money is requested sometimes due to the customer's situation.

The management team of the Group had made the plan for finance lease receivables risk management, based on the research on its own industries, the credit rating of counterparties and the knowledge of the counterparties' businesses and financial standings. If the default of contract occurs, the management team of the Group may ask for returning, withdrawing or selling leased property, depending on the applicableness in individual cases. If the delay of repayment occurs, the management team keeps the right to collect the default interest based on the amount of overdue repayment and default interest rate, until the overdue payment will have been paid. In addition, the management team may ask for the deposit which can be paid for the money owed by the leasee, depending on individual cases. When the Group assesses the credit risk, its strategy is to manage, restrict and control the over-concentration of the credit risk, especially, regularly assessing leasee's ability to make the repayment.

Based on the indicators such as assets conditions and profit forecast of the associates and joint ventures, the Group provide funds to them and continuously monitor the project progress and business condition, to ensure the recoverability of fund.

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

1. Credit risk (Continued)

In addition, the receivables of the Group that are neither overdue nor impaired mainly due from a wide range of customers for whom there was no recent history of default.

The Group's exposure to credit risk is influenced mainly by the individual characteristics and industries of each customer rather than country or area in which the customers operate. And therefore significant concentrations of credit risk arise primarily when the Group has significant exposure to individual customers. At the balance sheet date, the Group and the Company had a certain concentration of credit risk, as 26.91%(31 December 2018 : 29.44%) of the total accounts receivables and other receivables were due from the five largest customers of the Group.

Investments are normally made only to liquid securities quoted on a recognised stock exchange (except for investments for long-term strategic purposes). Besides, the credit rating of counterparty should be the same or above the Group. For transactions involving derivative financial instruments, counterparties should have sound credit ratings and with whom the Group has a signed netting ISDA agreement (International Swap Derivative Association). Given their high credit ratings, management does not expect any investment counterparty to fail to meet its obligations.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, as in the balance sheet. Except for the financial guarantees given by the Group as set out in Note X, the Group and the Company do not provide any other guarantees which would expose the Group or the Company to credit risk. The maximum exposure to credit risk in respect of these financial guarantees at the balance sheet date is disclosed in Note X.

As at 30 June 2019, the Group has no significant collateral or other credit enhancements held as a result of the debtor's mortgage.

2. Liquidity risk

Liquidity risk is the risk that an enterprise may encounter deficiency of funds in meeting obligations associated with financial liabilities. The Company is responsible for the cash management, including short term investment of cash surpluses and the raising of loans to cover expected cash demands, for individual subsidiaries subject to approval by the Company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its short-term and long-term liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities.

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

2. Liquidity risk (Continued)

The following tables show the remaining contractual maturities at the balance sheet date of the Group's financial assets and financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or if floating, based on prevailing interest rates at 30 June) and the earliest date the Group can be required to pay:

	30 June 2019				Total	Carrying amount at balance sheet date
	Undiscounted contractual cash flow					
	Within 1 year or on demand	1 to 2 years	2 to 5 years	Over 5 years		
Financial assets						
Cash at bank and on hand	6,579,908	-	-	-	6,579,908	6,579,908
Financial assets held for trading	207,113	-	-	-	207,113	207,113
Derivative financial assets	69,167	106,993	-	-	176,160	176,160
Notes receivables	1,160,380	-	-	-	1,160,380	1,160,380
Accounts receivables	20,411,426	-	-	-	20,411,426	20,411,426
Receivables Financing	40,918	-	-	-	40,918	40,918
Current portion of non-current assets	6,839,491	-	-	-	6,839,491	4,761,711
Other receivables	9,119,876	-	-	-	9,119,876	9,119,876
Long-term receivables	-	1,160,167	6,397,958	13,533,825	21,091,950	14,213,481
Sub-total	44,428,279	1,267,160	6,397,958	13,533,825	65,627,222	56,670,973
Financial liabilities						
Short-term borrowings	23,802,051	-	-	-	23,802,051	23,802,051
Financial liabilities held for trading	48,000	-	-	-	48,000	48,000
Derivative financial liabilities	342,886	43,540	-	25,334	411,760	411,760
Notes payables	2,248,675	-	-	-	2,248,675	2,248,675
Accounts payables	12,381,902	-	-	-	12,381,902	12,381,902
Debentures payable	166,800	166,800	4,089,730	20,152	4,443,482	4,020,152
Other payables	11,361,760	-	-	-	11,361,760	11,361,760
Current portion of non-current liabilities	9,891,383	-	-	-	9,891,383	9,891,383
Other current liabilities	93,914	-	-	-	93,914	93,914
Long-term borrowings	4,136,792	15,812,959	7,523,543	2,873,230	30,346,524	27,820,150
Lease liabilities	49,363	97,040	135,074	59,308	340,785	240,442
Long-term payables	-	104,819	81,802	-	186,621	186,621
Other non-current liabilities	178,224	178,224	178,224	-	534,672	487,632
Sub-total	64,701,750	16,403,382	12,008,373	2,978,024	96,091,529	92,994,442
Net total	(20,273,471)	(15,136,222)	(5,610,415)	10,555,801	(30,464,307)	(36,323,469)

As at 30 June 2019, the Group has got commitments from main financial institutions to provide enough reserve funds, in order to satisfy short-term and long-term demands of working capital.

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

2. Liquidity risk (Continued)

	31 December 2018					Carrying amount at balance sheet date
	Undiscounted contractual cash flow					
	Within 1 year or on demand	1 to 2 years	2 to 5 years	Over 5 years	Total	
Financial assets						
Cash at bank and on hand	9,729,152	-	-	-	9,729,152	9,729,152
Financial assets held for trading	193,676	-	-	-	193,676	193,676
Derivative financial assets	49,055	57,506	274,575	-	381,136	381,136
Notes and accounts receivables	19,319,466	-	-	-	19,319,466	19,319,466
Current portion of non-current assets	6,541,964	-	-	-	6,541,964	4,387,886
Other receivables	11,276,144	-	-	-	11,276,144	11,276,144
Long-term receivables	-	3,554,910	18,257,798	79,785	21,892,493	13,874,369
Sub-total	47,109,457	3,612,416	18,532,373	79,785	69,334,031	59,161,829
Financial liabilities						
Short-term borrowings	19,898,221	-	-	-	19,898,221	19,898,221
Derivative financial liabilities	342,726	-	8,499	25,374	376,599	342,726
Notes and accounts payables	15,100,613	-	-	-	15,100,613	15,100,613
Debentures payable	8,072,300	85,800	2,075,552	19,275	10,252,927	2,019,275
Other payables	9,336,513	-	-	-	9,336,513	9,336,513
Current portion of non-current liabilities	14,075,601	-	-	-	14,075,601	14,075,601
Other current liabilities	1,024,221	-	-	-	1,024,221	1,024,221
Long-term borrowings	1,133,034	8,809,899	19,188,682	826,918	29,958,533	25,769,773
Long-term payables	-	7,442	232,783	-	240,225	236,591
Other non-current liabilities	278,210	278,210	278,210	1,349,812	2,184,442	1,737,458
Sub-total	69,261,439	9,181,351	21,783,726	2,221,379	102,447,895	89,540,992
Net total	(22,151,982)	(5,568,935)	(3,251,353)	(2,141,594)	(33,113,864)	(30,379,163)

As at 31 December 2018, the Group has got commitments from main financial institutions to provide enough reserve funds, in order to satisfy short-term and long-term demands of working capital.

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

2. Liquidity risk (Continued)

As at the balance sheet date, the Group's financial guarantees provided to external parties are analysed below based on the maximum amounts and the earliest periods in which the guarantees could be called:

30 June 2019				
Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
2,662,384	736,529	885,965	4,000	4,288,878

31 December 2018				
Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
1,546,109	669,694	471,139	4,000	2,690,942

Bank and other borrowings are analysed by repayment terms as follows:

	30 June 2019		31 December 2018	
	Bank borrowings	Other borrowings	Bank borrowings	Other borrowings
Within 1 year	25,300,137	-	25,491,970	-
1 to 2 years	14,921,070	-	7,878,943	-
2 to 5 years	10,126,029	-	17,249,718	-
over 5 years	2,773,051	-	641,112	-
	53,120,287	-	51,261,743	-

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

3. Interest rate risk

Fixed and floating interest-bearing financial instruments exposed the Group to interest rate risk of fair value and cash flow, respectively. The interest rate policy is to ensure the exposure of interest rate risk of borrowing is within a reasonable scope. The Group had entered into interest rate swap contracts, which were made based on the currencies of the borrowings. Hence the Group set up appropriate fixed and floating interest rate risk portfolio, to meet the policy.

	30 June 2019		31 December 2018	
	Interest rate (%)	Amount	Interest rate (%)	Amount
Fixed rates interest-bearing financial instruments				
Financial assets				
– Long-term receivables	2.58%-17.53%	14,213,481	2.58%-17.53%	13,874,369
– Current portion of long-term receivables	2.58%-17.53%	4,761,711	2.58%-17.53%	4,387,886
Financial liabilities				
– Short-term borrowings	1.60%-7.60%	11,107,016	1.40%-6.24%	8,844,386
– Current portion of debentures payable	3.07%-3.89%	7,986,500	3.07%-3.89%	7,986,500
– Debentures payable	4.05%-4.29%	4,020,152	3.07%-4.29%	2,019,275
– Current portion of long-term borrowings	3.685%-4.550%	1,400,000	2.70%-5.25%	1,211,800
– Long-term borrowings	1.20%-7.13%	4,975,126	1.20%-7.13%	5,095,406
– Other current liabilities	0.01%-1.00%	93,914	0.01%-1.00%	1,024,221
– Other non-current liabilities	4.99%	487,632	4.99%-12.00%	1,737,458
Total		(11,095,148)		(9,656,791)

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

3. Interest rate risk (Continued)

(1) As at balance sheet date, the Group held the following interest-bearing financial instruments:

	30 June 2019		31 December 2018	
	Interest rate (%)	Amount	Interest rate (%)	Amount
Floating rates interest-bearing financial instruments				
Financial assets				
– Cash at bank and on hand	0.30%-2.75%	6,579,908	0.30%-2.75%	9,729,152
Financial liabilities				
– Current portion of long-term borrowings	1.15%+1M libor-6M Libor+195bps	98,086	1.15%+1M libor- 6M libor+195bps	4,381,949
– Long-term borrowings	1.15%+1M Libor-3M Libor+250bps	22,845,024	1.775%+1M libor- 6M libor+195bps	20,674,367
– Short-term borrowing	1M libor+1.15%- 3M libor+4.06%	12,695,035	1M libor-6M libor+145bps	11,053,835
– Long-term payables	8.02%-12.86%	186,621	8.02%-12.86%	236,591
– Current portion of long-term payables	8.02%-12.86%	4,907	8.02%-12.86%	76,927
Total		(29,249,765)		(26,694,517)

(2) Sensitivity analysis

As at 30 June 2019, it is estimated that a general increase/decrease of 25 basis points (31 December 2018: 25 basis points) in interest rates, with all other variables held constant, would increase/decrease the Group's net profit by RMB54,843,000 and equity by RMB54,843,000 (31 December 2018: RMB50,052,000 and RMB50,052,000 respectively).

The sensitivity analysis above indicates the instantaneous changes in the net profit and equity that would arise assuming that the changes in interest rate had occurred at the balance sheet date and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the balance sheet date. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the balance sheet date, the impact on the net profit and equity is estimated as an annualised impact on interest expense or income of such a change in interest rates. The analysis was performed on the same basis for the previous year.

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

4. Foreign exchange risk

The major currency received by the Group is USD and the major currency paid out is RMB. In order to avoid the risks resulting from the fluctuation of the exchange rate of RMB, in respect of accounts receivables and payables denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

- (1) Besides the exposure to currency risk arising from financial assets held for trading, financial liabilities held for trading, derivative financial assets, derivative financial liabilities and interest rate swap contract disclosed in Note IV.2, IV.3 and IV.46, the Group's exposure as at 30 June 2019 and 31 December 2018 to currency risk arising from recognised assets or liabilities denominated in foreign currencies is follows. For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rate at the balance sheet date. Differences resulting from the translation of the financial statements denominated in foreign currency are excluded.

As at 30 June 2019 and 31 December 2018, the amount of foreign currency financial assets and foreign currency financial liabilities held by the Company with RMB currency in base currency translated into RMB is listed as follows:

	30 June 2019				31 December 2018			
	USD	EUR	HKD	JPY	USD	EUR	HKD	JPY
Cash at bank and on hand	930,847	801,807	89,865	33,371	994,782	153,252	87,457	25,756
Receivables	9,003,768	227,238	36,286	32,860	9,539,480	284,324	38,435	103,019
Short-term borrowing	(2,760,496)	(35,731)	(64,215)	-	(8,005,935)	(277,504)	(64,839)	-
Long-term borrowings	(989,691)	-	-	-	(4,654,401)	-	-	-
Payables	(686,781)	(16,418)	(48,963)	(1,133)	(6,431,794)	(148,434)	(51,812)	(172)
Current portion of of non-current liabilities	(8,975)	-	-	-	(4,371,183)	-	-	-
Gross balance sheet exposure	5,488,672	976,896	12,973	65,098	(12,929,051)	11,638	9,241	128,603

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

4. Foreign exchange risk (Continued)

As at 30 June 2019 and 31 December 2018, the amount of foreign currency financial assets and foreign currency financial liabilities held by the Company with US currency in base currency translated into RMB is listed as follows:

	30 June 2019				31 December 2018			
	RMB	EUR	HKD	JPY	RMB	EUR	HKD	JPY
Cash at bank and on hand	153,794	73,829	15,998	-	314,753	989	8,542	-
Receivables	713,220	2,802	1,468	-	447,618	-	-	-
Short-term borrowing	(435,114)	(200,547)	-	-	(312,234)	(198,553)	-	-
Long-term borrowings	-	-	-	-	-	-	-	-
Payables	(777,435)	(56,604)	(11)	-	(573,106)	(52,982)	-	-
Current portion of of non-current liabilities	-	-	-	-	-	-	-	-
Gross balance sheet exposure	(345,535)	(180,520)	17,455	-	(122,969)	(250,546)	8,542	-

(2) The following are the exchange rates for RMB against foreign currencies applied by the Group and the Company:

	Average exchange rate		Middle rate at the balance sheet date	
	For the period from 1 January to 30 June in 2019	For the period from 1 January to 30 June in 2018	30 June 2019	31 December 2018
USD	6.7797	6.3939	6.8729	6.8634
EUR	7.6511	7.6746	7.8186	7.8493
HKD	0.8648	0.8153	0.8797	0.8762
JPY	0.0638	0.0589	0.0638	0.0619

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XIV.FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

4. Foreign exchange risk (Continued)

(3) Sensitivity analysis

Assuming other risk variables other than the exchange rate remain unchanged, the exchange rate of RMB against JPY caused the RMB to appreciate by 9.74% on 30 June 2019 (RMB exchange rate against EUR and HKD caused the RMB to appreciate by 4.44% and 2.19% on 31 December 2018). At the same time, RMB exchange rate against USD, EUR and HKD depreciated the value of the RMB by 0.54%, 0.75% and 0.32% (on 31 December 2018, the exchange rate of RMB against USD and HKD depreciated RMB by 0.48% and 0.06%),and this will result the changes in shareholder equity and gain or loss. This effect is converted into RMB at the spot exchange rate on the balance sheet date and listed as follows:

	Equity	Net profit
30 June 2019		
USD	22,221	22,221
EUR	5,510	5,510
HKD	31	31
JPY	(4,757)	(4,757)
Total	23,005	23,005
31 December 2018		
USD	(46,545)	(46,545)
EUR	(388)	(388)
HKD	4	4
JPY	(2,112)	(2,112)
Total	(49,041)	(49,041)

Assuming other risk variables other than the exchange rate remain unchanged, the exchange rate of RMB against JPY caused RMB to depreciate by 9.74% on 30 June 2019 (RMB exchange rate against EUR and JPY caused RMB to depreciate by 4.44% and 2.19% on 31 December 2018). At the same time, RMB exchange rate against USD, EUR and HKD appreciate the value of RMB by 0.54%, 0.75% and 0.32% (on 31 December 2018, the exchange rate of RMB against USD and HKD appreciate the RMB by 0.48% and 0.06%),and this will lead to the same amount of changes in the equity of shareholders and profit and loss but negative value.

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XIV.FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

4. Foreign exchange risk (Continued)

(3) Sensitivity analysis (Continued)

Assuming other risk variables other than the exchange rate remain unchanged, for the entities whose recording currency is USD, the exchange rate of USD against RMB, HKD and JPY caused USD to appreciate by 0.54%, 0.22% and 10.25% on 30 June 2019 and at the same time, USD exchange rate against EUR caused USD to depreciate by 0.21% (USD exchange rate against RMB, EUR, HKD and JPY caused USD to appreciate by 0.49%, 4.95%, 0.42% and 2.69% on 31 December 2018), and this will result the changes in shareholder equity and gain or loss. This effect is converted into RMB at the spot exchange rate at the balance sheet date.

	Equity	Net profit
30 June 2019		
RMB	1,393	1,393
EUR	(285)	(285)
HKD	(28)	(28)
JPY	-	-
Total	1,080	1,080
31 December 2018		
RMB	452	452
EUR	9,302	9,302
HKD	(27)	(27)
JPY	-	-
Total	9,727	9,727

The sensitivity analysis above assumes that the changes in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the balance sheet date, the analysis excludes differences that would result from the translation of the financial statements denominated in foreign currency. The analysis is performed on the same basis for the previous year.

The above sensitive analysis does not include exposure to currency risk arising from foreign future contracts, foreign exchange option and swap contact for interest rate and currency disclosed in Note IV.3 and Note IV.46 about derivative financial assets and derivative financial liabilities, but the changes in exchange rate may have effect on shareholders' equity and net profit.

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

5. Other price risk

Other price risks are mainly stock price risk. As at 30 June 2019, the Group held 40,414,000 tradable shares of Qingdao Port International Co., Ltd.

As at 30 June 2019, it is estimated that a general increase/decrease of the comprehensive index of shares 5.00% (2018: 5.00%), with all other variables held constant, would increase/decrease the Group's shareholders' equity by RMB9,971,000 (2018: RMB7,023,000).

The sensitivity analysis above arise assuming that the changes in the comprehensive index of shares occurred at the balance sheet date in the reasonable range and had been applied to remeasure all those investments in securities held by the Group. The sensitivity analysis is also based on another assumption, namely, the fair value of the investments in securities held by the Group is relevant to composite index of stock market, and available-for-sales securities investment has same risk factor as trading securities investment, and all other variables held constant. 20.00% changes in the comprehensive index of shares is a reasonable expectation of the Group for the period from the balance date to the next balance sheet date.

6. Fair value estimates

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: 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 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

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XIV.FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

6. Fair value estimates (Continued)

(1) Assets measured at fair value on a recurring basis

The following table presents the Group's assets and liabilities that are measured at fair value in the above three levels as at 30 June 2019:

Assets	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets held for trading –	IV.2				
Investments in equity instrument held for trading		202,283	–	–	202,283
Contingent consideration		–	4,830	–	4,830
Derivative financial assets –	IV.3				
Foreign exchange forward contract		–	41,265	–	41,265
Foreign exchange option contract		–	5,332	–	5,332
Interest rate swap contract		–	20,756	–	20,756
Currency swap contract		–	1,814	–	1,814
Hedging instruments		–	–	–	–
Receivables Financing	IV.6	40,918	–	–	40,918
Other debt investments –	IV.14				
Financial bonds		30,821	–	–	30,821
Other equity investments –	IV.17				
Unlisted company stock		–	932,071	–	932,071
Listed company stock		247,800	–	–	247,800
Other non-current financial assets –	IV.18				
Interest rate swap contract		–	106,993	–	106,993
Financial assets total		521,822	1,113,061	–	1,634,883
Non-financial assets					
Investment properties	IV.19	–	–	2,112,909	2,112,909
Total		521,822	1,113,061	2,112,909	3,747,792

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

6. Fair value estimates (Continued)

(1) Assets measured at fair value on a recurring basis (Continued)

The following table presents the Group's assets and liabilities that are measured at fair value in the above three levels as at 30 June 2019 (Continued):

Liabilities	Note	Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities held for trading – Contingent consideration	IV.2	–	(48,000)	–	(48,000)
Derivative financial liabilities –	IV.3				
Foreign exchange forward contract		–	(71,900)	–	(71,900)
Foreign exchange option contract		–	(22,151)	–	(22,151)
Currency swap contract		–	(801)	–	(801)
Commitment to minority shareholders		–	(248,034)	–	(248,034)
Other non-current liabilities –	IV.46				
Interest rate swap contract		–	(43,540)	–	(43,540)
Financial guarantee contracts		–	–	(25,334)	(25,334)
Financial liabilities total		–	(434,426)	(25,334)	(459,760)

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XIV.FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

6. Fair value estimates (Continued)

(1) Assets measured at fair value on a recurring basis (Continued)

The following table presents the Group's assets and liabilities that are measured at fair value in the above three levels as at 31 December 2018:

Assets	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets held for trading – Investments in equity instrument held for trading	IV.2	193,676	–	–	193,676
Derivative financial assets –	IV.3				
Foreign exchange forward contract		–	27,480	–	27,480
Foreign exchange option contract		–	21,180	–	21,180
Interest rate swap contract		–	193	–	193
Currency swap contract		–	35	–	35
Hedging instruments		–	167	–	167
Receivables Financing	IV.6	179,412	–	–	179,412
Other debt investments –	IV.14				
Financial bonds		30,581	–	–	30,581
Other equity investments –	IV.17				
Unlisted company stock		–	800,856	–	800,856
Listed company stock		183,299	–	–	183,299
Other non-current financial assets –	IV.18				
Interest rate swap contract		–	332,081	–	332,081
Financial assets total		586,968	1,181,992	–	1,768,960
Non-financial assets					
Investment properties	IV.19	–	–	1,966,277	1,966,277
Total		586,968	1,181,992	1,966,277	3,735,237

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XIV.FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

6. Fair value estimates (Continued)

(1) Assets measured at fair value on a recurring basis (Continued)

Liabilities	Note	Level 1	Level 2	Level 3	Total
Financial liabilities					
Derivative financial liabilities –	IV.3				
Foreign exchange forward contract		–	(22,520)	–	(22,520)
Foreign exchange option contract		–	(18,672)	–	(18,672)
Currency swap contract		–	(229)	–	(229)
Commitment to minority shareholders		–	(301,305)	–	(301,305)
Other non-current liabilities –	IV.46				
Interest rate swap contract		–	(8,499)	–	(8,499)
Financial guarantee contracts		–	–	(25,374)	(25,374)
Financial liabilities total		–	(351,225)	(25,334)	(376,599)

The Group make the date when matters occurred which result in significant transfers between instruments in the three levels as the point of transfer. For the period from 1 January to 30 June in 2019, there were no significant transfers between instruments in Level 1 and Level 2 neither nor Level 2 and Level 3.

For traded in active markets financial instruments, the Group measures its fair value at an active market price; for not traded in active markets financial instruments, the Group uses valuation techniques to determine the fair value. Valuation model mainly used are the discounted cash flow model and market comparable company model etc. Input values of the valuation techniques include the risk free interest rate, benchmark interest rate, exchange rate, credit spreads, liquidity premium, EBITDA multiplier, the lack of liquidity discount etc.

The Group has appointed qualified valuer to conduct valuation for the fair value of the investment properties. The methods used include income model and cost model. The key assumptions include rental growth rates, capitalisation rates and unit prices.

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

6. Fair value estimates (Continued)

(1) Assets measured at fair value on a recurring basis (Continued)

The following table presents the movement of the non-financial assets in Level 3:

	Investment properties
1 January 2019	1,966,277
Construction	26,097
Transferred from inventories and construction in progress	528
Total gains for the current period	120,007
Gains recognised in profit or loss	–
Gains recognised in other comprehensive income	120,007
30 June 2019	2,112,909
	Investment properties
1 January 2018	1,679,189
Transferred from inventories and construction in progress	125,532
Total gains for the current period	180,537
Gains recognised in profit or loss	55,223
Gains recognised in other comprehensive income	125,314
Disposals	(18,981)
31 December 2018	1,966,277

Finance Department of the Group is responsible for carrying out the valuation of financial assets and financial liabilities. The above valuation results are independently verified and accounted for by the Finance Department of the Group, and disclosure information in relation to fair value is prepared based on the verified valuation results.

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

6. Fair value estimates (Continued)

(1) Assets measured at fair value on a recurring basis (Continued)

The following table presents the information of the assets measured at fair value in Level 3:

	Fair value at 30 June 2019	Valuation techniques	Significant unobservable inputs			
			Name	Scope/ weighted average	Relationship with fair value	Observable/ Unobservable
Investment properties –	1,697,671	Income model	Rate of return/capitalisation rate	5.5%-9%	(a)	Unobservable
Completed investment properties held for sale			Monthly rental (RMB/square meter/month)	11.43-116.81		
		Income model	Budgeted construction cost to be incurred (RMB/square meter)	962-7,666 6.7%-12.9%	(a)	Unobservable
Land use rights	415,238	Direct comparison	Market price (RMB/square meter)	450-2188	(a)	Unobservable

(a) The relationship of unobservable inputs to fair value are as follows:

- The higher of the rate of return/capitalisation rate, the lower of fair value;
- The higher of the expected vacancy rate, the lower of fair value;
- The higher of the monthly rental, the higher of the fair value;
- The higher of the market price, the higher of the fair value;
- The higher of the budgeted construction cost to be incurred, the lower of the fair value;
- The higher of the anticipated developer's profit margin, the lower of the fair value.

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

6. Fair value estimates (Continued)

(1) Assets measured at fair value on a recurring basis (Continued)

	Fair value as at 31 December 2018	Valuation techniques	Name	Significant unobservable inputs		
				Scope/ weighted average	Relationship with fair value	Observable/ Unobservable
Investment properties –	1,552,554	Income model	Rate of return/capitalisation rate	5.5%-9%	(a)	Unobservable
Completed investment properties held for sale		Income model	Monthly rental	11.43-116.81		
			(RMB/square meter/month)			
			Budgeted construction cost to be incurred	962-7,666 6.7%-12.9%	(a)	Unobservable
			(RMB/square meter)			
Land use rights	413,723	Direct comparison	Market price	450-2188	(a)	Unobservable
			(RMB/square meter)			

(2) Assets measured at fair value on a non-recurring basis

The non-current assets held for sale are measured at the lower of the book value and the fair value less the selling costs. As at 30 June 2019, the Group's assets classified as available for sale include investment properties of RMB26,401,000, fixed assets of RMB86,296,000 and intangible assets of RMB85,177,000 (Note IV.11). Fair value is determined based on the present value of estimated future cash flows (RMB26,401,000, RMB115,743,000 and RMB97,563,000), which belongs to the third level.

(3) Assets and liabilities not measured at fair value but for which the fair value is disclosed

Financial assets and liabilities in the Group measured by the amortised cost method of including: accounts receivables, short-term borrowings, accounts payables, long-term borrowings, debentures payable, long-term payables etc.

As at 30 June 2019, all financial instruments are carried at amounts not materially different from their fair value.

There is an active market for bonds payable and fair value is determined by the quotations in the active market, which belongs to the first level. Fair value of long-term borrowings, long-term payables and debentures payables with no active market is determined by the discounted future cash flow of the contract in accordance with interest that is comparable and offer the same cash flow under the same conditions, which belongs to the third level.

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

6. Fair value estimates (Continued)

(4) Estimation and assumption of fair values

The following summarises the major methods and assumptions used in estimating the fair values of financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss, available-for-sale financial assets on the balance sheet date.

(a) *Equity investments*

Fair value is based on quoted market prices at the balance sheet date for fair values of financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss (excluding derivatives), and available-for-sale financial assets if there is an active market.

(b) *Receivables*

The fair value is estimated as the present value of the future cash flows, discounted at the market interest rates at the balance sheet date.

(c) *Borrowings, debentures payable, long-term payables and other non-derivatives financial liabilities*

The fair value of borrowings, debentures payable, long-term payables and other non-derivatives financial liabilities is estimated as the present value of future cash flows, discounted at the market rate of interest at the balance sheet date.

(d) *Derivatives*

The fair value of forward exchange contracts is either based on their listed market prices or by discounting the contractual forward price and deducting the current spot rate. The fair value of interest rate swaps is based on broker quotes. The quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar interest rate instrument at the measurement date.

(e) *Financial guarantees*

The fair value of financial guarantees issued is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or is otherwise estimated by reference to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that the lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made.

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XV. CAPITAL MANAGEMENT

The Group's objectives of managing capital are to safeguard the Group's ability of sustainable development in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Total capital of the Group is shareholders' equity shown in the consolidated balance sheet. The group is not subject to external mandatory capital requirements, and use debt to asset ratio to monitor capital.

The Group monitors capital on the basis of Debt-Asset ratio. This ratio is calculated as total liabilities divided by total assets.

In 2019, the Group manages capital status by controlling the Debt-Asset ratio not to exceed 70% (2018: not to exceed 70%). The Debt-Asset ratio as at 30 June 2019 and 31 December 2018 were as follows:

	30 June 2019	31 December 2018
Total Liabilities	109,877,484	106,480,975
Total Assets	163,563,270	158,883,963
Debt-Asset ratio	67.18%	67.02%

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS

1. Cash at bank and on hand

	30 June 2019	31 December 2018
Bank deposits	1,999,355	1,739,350
Other cash balances	6,550	6,539
Total	2,005,905	1,745,889
Including: cash abroad	–	–

As at 30 June 2019, restricted cash at bank and on hand of the Company amounted to RMB24,615,000 (31 December 2018: RMB24,494,000).

As at 30 June 2019, the fixed deposit of the Company in the Financial Company, a subsidiary of the Group, was RMB1,000,000,000 (31 December 2018: RMB1,000,000,000).

2. Other receivables

(1) Other receivables are analysed by categories of customers as follows:

	30 June 2019	31 December 2018
Amounts due from related parties	20,653,996	20,489,937
Dividends receivable	4,620,896	4,698,756
Interest receivable	61,695	38,013
Receivables from equity transfer	5,148	8,148
Security deposits	127	127
Others	16,706	8,599
Sub-total	25,358,568	25,243,580
Less: provision for bad debts	(4,580)	(4,580)
Total	25,353,988	25,239,000

Notes to the Financial Statements

For the period started from 1 January and ended 30 June 2019

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

(2) Loss provision and changes in book balance

	First stage			Third stage			Total	
	Expected credit loss in the next twelve months (collectively assessed)		Expected credit loss in the next twelve months (individually assessed)		Sub-total	Lifetime expected credit losses rate (suffered credit impairment)		
	Provision for bad debts		Provision for bad debts			Provision for bad debts		
	Book balance		Book balance		Book balance			
31 December 2018	25,239,000	-	-	-	-	4,580	(4,580)	(4,580)
Increase in current year	3,739,921	-	-	-	-	-	-	-
Reversal in current year	(3,624,933)	-	-	-	-	-	-	-
Write-off and derecognise in								
Including: Write-off in current year	-	-	-	-	-	-	-	-
Derecognise	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
30 June 2019	25,353,988	-	-	-	-	4,580	(4,580)	(4,580)

(i) As at 30 June 2019, the provision for bad debts of other receivables in the first stage is as follows:

	Book balance	Expected credit loss rate in the next twelve months	Provision for bad debt	Reason
Collectively assessed				
Amounts due from related parties	20,653,996	-	-	Provision is measured
Dividends receivable	4,620,896	-	-	as lifetime
Interest receivable	61,695	-	-	expected credit losses.
Receivables from equity transfer	5,148	-	-	
Security deposits	127	-	-	
Others	12,126	-	-	
	25,353,988		-	

(ii) As at 30 June 2019, there were no other receivables in the second stage.

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

(2) Loss provision and changes in book balance (Continued)

(iii) As at 30 June 2019, the provision for bad debts of other receivables in the third stage is as follows:

	Book balance	Lifetime expected credit losses rate	Provision for bad debts	Reason
Individually assessed:				
Others	4,580	100%	4,580	i)
	4,580		4,580	

i) Provision is measured as lifetime expected credit losses.

(3) As at 30 June 2019, the five largest other receivables are analysed as follows:

	Nature	Amount	Aging	% of total balance	Provision for bad debts
CIMC Hong Kong	fund transfer, daily transfer	8,029,571	Within 1 year, 1 to 2 years	31.66%	–
CIMC RAFFLES	fund transfer	3,241,749	Within 1 year, 1 to 2 years	12.78%	–
CIMC Financing and leasing	fund transfer, daily transfer	2,363,709	Within 1 year, 1 to 2 years	9.32%	–
Hongxin Berg	fund transfer	1,098,777	Within 1 year, 1 to 2 years	4.33%	–
C&C Trucks	fund transfer	1,058,226	Within 1 year, 1 to 2 years	4.17%	–
		15,792,032		62.26%	–

The Company's five largest other receivables as at 31 December 2018 amounted to RMB14,129,240,000 and accounting for 55.97% of the total other receivables.

(4) Other receivables from shareholders holding more than 5% (inclusive) of the voting rights of the Company are analysed as follows:

As at 30 June 2019 and 31 December 2018, no amount due from shareholders holding more than 5% (inclusive) of the voting rights of the Company is included in the above balance of other receivables.

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XVI.NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

(5) Receivables from related parties

	Relationship with the company	30 June 2019		31 December 2018	
		Amount	% of total balance	Amount	% of total balance
Associates	Associates	69,924	0.28%	69,259	0.27%
Subsidiaries	Subsidiaries	20,584,072	81.18%	20,420,678	80.89%
Total		20,653,996	81.46%	20,489,937	81.16%

(6) Reversal or recovery of provision for the current year

There is no other receivables for which bad debts were provided fully, or significant portion of bad debts were provided before the current period but provision were fully recovered or reversed for the current period (2018: Nil).

(7) Other receivables that are written off in current year

There were no other receivables written off in current year (2018: Nil).

(8) Other receivables derecognised due to transfer of financial assets

As at 30 June 2019, there were no other receivables derecognised due to transfer of financial assets of the Company in the current year (31 December 2018: Nil).

(9) Amount of assets and liabilities recognised due to the continuing involvement of securitised other receivables

As at 30 June 2019, there were no securitised other receivables.(31 December 2018: Nil).

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Available-for-sale financial assets and other equity investments

	30 June 2019	31 December 2018
Equity investments		
Unlisted company equity		
– BOCM Schroder Stolt Fund Management	309,353	243,677
– China Railway United Logistics	355,303	445,596
	664,656	689,273

4. Long-term equity investments

(1) Long-term equity investments are analysed by categories as follows

	30 June 2019	31 December 2018
Subsidiaries (2)	12,148,808	11,559,685
Less: impairment provisions	(88,086)	(88,086)
Total	12,060,722	11,471,599

There is no restriction on sale of the long-term equity investments held by the Company.

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

4. Long-term equity investments (Continued)

(2) Subsidiaries:

Company name	31 December 2018	Increase in current year	Decrease in current year	30 June 2019	Share holding (%)	Voting rights (%)	Impairment provided in the current year	Cash dividend declared
Cost Method – Subsidiaries								
Southern CIMC	359,978	–	–	359,978	100.00%	100.00%	–	46,123
CIMC NO	77,704	–	–	77,704	47.50%	100.00%	–	–
Chongqing CIMC	39,499	–	–	39,499	75.00%	100.00%	–	–
SCRC	200,892	–	–	200,892	72.00%	92.00%	–	–
CIMC HongKong	1,690	–	–	1,690	100.00%	100.00%	–	–
CIMC SD	162,686	–	–	162,686	98.53%	100.00%	–	–
HI	606,912	–	–	606,912	44.33%	63.33%	–	177,320
CIMC Tech	41,526	–	–	41,526	59.46%	68.00%	–	–
CIMC Training	48,102	–	–	48,102	100.00%	100.00%	–	–
DLZH	182,136	343,000	–	525,136	62.70%	100.00%	(88,086)	–
MEA	111,703	–	–	111,703	75.00%	100.00%	–	–
Shenzhen CIMC New Material	3,472	–	–	3,472	12.00%	100.00%	–	869
SZ Investment Holding	71,324	–	–	71,324	100.00%	100.00%	–	–
Finance Company	482,590	–	–	482,590	54.35%	100.00%	–	19,006
CIMC Financing and Leasing	422,363	–	–	422,363	75.00%	100.00%	–	91,717

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

4. Long-term equity investments (Continued)

(2) Subsidiaries: (Continued)

Company name	31 December 2018	Increase in current year	Decrease in current year	30 June 2019	Share holding (%)	Voting rights (%)	Impairment provided in the current year	Cash dividend declared
Qingdao CIMC Special Vehicle Co., Ltd.	-	-	-	-	-	-	-	681
SZ Investment	140,000	-	-	140,000	100.00%	100.00%	-	-
SESKYC	190,000	-	-	190,000	95.00%	100.00%	-	-
Container Holding	5,043,682	-	-	5,043,682	100.00%	100.00%	-	1,125,252
COOPERATIE CIMC U.A	205,022	-	-	205,022	99.00%	99.00%	-	-
Mordern Logistic	803,904	-	-	803,904	100.00%	100.00%	-	86,010
C&C Trucks	1,430,593	-	-	1,430,593	70.06%	70.06%	-	-
CIMC Offshore Hoildings	35,000	-	-	35,000	100.00%	100.00%	-	-
Fortune	67,755	-	-	67,755	100.00%	100.00%	-	-
Dongguan Jiwang Industrial Park Co., Ltd.	30,000	-	-	30,000	100.00%	100.00%	-	-
Modular Investment	106,080	200,000	-	306,080	100.00%	100.00%	-	-
CIMC Technology	695,072	46,123	-	741,195	100.00%	100.00%	-	-
Total	11,559,685	589,123	-	12,148,808			(88,086)	1,546,978

5. Fixed assets

	30 June 2019	31 December 2018
Fixed assets (a)	133,766	137,907
Disposal of fixed assets (b)	32	32
	133,798	137,939

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

5. Fixed assets (Continued)

(a) Fixed assets

	Plants and buildings	Machinery and equipment	Office and other equipment	Total
Original cost				
31 December 2018	146,606	29,426	137,687	313,719
Transferred from construction in progress	–	–	3,316	3,316
Additions	–	–	323	323
Disposals	(542)	–	–	(542)
30 June 2019	146,064	29,426	141,326	316,816
Accumulated depreciation				
31 December 2018	(54,811)	(20,385)	(100,616)	(175,812)
Depreciation	(2,184)	(943)	(4,126)	(7,253)
Disposals	15	–	–	15
30 June 2019	(56,980)	(21,328)	(104,742)	(183,050)
Net book value				
31 December 2018	91,795	9,041	37,071	137,907
30 June 2019	89,084	8,098	36,584	133,766

The amount of depreciation accrued for fixed assets from 1 January to 30 June 2019 was included in the administrative expenses amounting to RMB7,253,000 (1 January to 30 June 2018: RMB6,959,000).

The original cost transferred from construction in progress was RMB3,316,000 (1 January to 30 June 2018: RMB4,869,000).

(b) Disposal of fixed assets

	30 June 2019	31 December 2018
Office and other equipment	32	32

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

6. Short-term borrowings

	30 June 2019	31 December 2018
Bank borrowings		
– Unsecured	6,330,000	6,235,000

As at 30 June 2019, the short-term loan interest rate ranged from 3.69% to 5.00%. (31 December 2018: 4.55% to 5.44%).

7. Taxes payable

	30 June 2019	31 December 2018
Income tax payable	7,714	11,651
Withholding individual income tax	4,573	1,867
VAT payable	11,780	1,706
Others	839	289
Total	24,906	15,513

8. Other payable

(1) The analysis of the Company's other payables is as follows:

	30 June 2019	31 December 2018
Current account with subsidiaries	2,343,116	2,373,047
Interest payable	306,107	119,072
Accruals	–	18,378
Software use rights	1,659	1,659
Quality guarantees	177	68
Others	19,209	11,293
Total	2,670,268	2,523,517

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

8. Other payable (Continued)

(2) Significant other payables aged over one year

Other payables aged over 1 year are mainly unpaid warranty.

(3) As at 30 June 2019 and 31 December 2018, no amount due to shareholders who hold more than 5% (inclusive) of the voting rights of the Company is included in the balance of other payables.

(4) Other payables to related parties:

Company name	Relationship with the Company	30 June 2019	31 December 2018
Total amount due to subsidiaries	Subsidiaries	2,343,116	2,373,047

9. Current portion of non-current liabilities

Item	Note	30 June 2019	31 December 2018
Current portion of long-term borrowings			
– Unsecured	XVI.10	1,400,000	900,000
Current portion of debentures payable	XVI.11	7,986,500	7,986,500
Total		9,386,500	8,886,500

10. Long-term borrowings

	30 June 2019	31 December 2018
Bank borrowings		
– Unsecured	1,148,000	1,753,000

As at 30 June 2019, there were no overdue long-term borrowings of which the durations are extended (31 December 2018: Nil).

As at 30 June 2019, the interest rate of long-term borrowing ranged from 1.20% to 5.46% (31 December 2018: 1.20% to 5.46%).

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

13. Capital reserve

	1 January 2019	Increase in current year	Decrease in current year	30 June 2019
Capital surplus	3,697,912	7,248	(597,088)	3,108,072
Other capital reserve:				
– Exchange reserve on foreign currency capital	687	–	–	687
– Donated non-cash assets reserve	87	–	–	87
– Equity settled share-based	207,011	–	(3,069)	203,942
Others	(568,492)	–	–	(568,492)
Total	3,337,205	7,248	(600,157)	2,744,296
	1 January 2018	Increase in current year	Decrease in current year	31 December 2018
Capital surplus	3,675,678	41,091	(18,857)	3,697,912
Other capital reserve:				
– Exchange reserve on foreign currency capital	687	–	–	687
– Donated non-cash assets reserve	87	–	–	87
– Equity settled share-based	222,935	–	(15,924)	207,011
Other	(568,492)	–	–	(568,492)
Total	3,330,895	41,091	(34,781)	3,337,205

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

14. Other comprehensive income

	Other comprehensive income in balance sheet					Other comprehensive income in income statement of 1 January to 30 June 2019			
	31 December 2018	Changes in accounting policies	1 January 2019	Post-tax amount attributable to the Company	30 June 2019	Pre-tax amount incurred in current year	Less: transfer of other comprehensive income	Less: Income tax expenses	Post-tax amount attributable to the Company
Items that will not be reclassified to profit or loss									
Changes in value of other equity investments	300,368	-	300,368	(24,617)	275,751	(24,617)	-	-	(24,617)
Item that may be reclassified subsequently to profit and loss									
Property revaluation reserve	43,754	-	43,754	-	43,754	-	-	-	-
Transfer from fixed and intangible assets to investment properties	-	-	-	116,819	116,819	116,819	-	-	116,819
	344,122	-	344,122	92,202	436,324	92,202	-	-	92,202

	Other comprehensive income in balance sheet					Other comprehensive income in income statement of 2018			
	31 December 2017	Changes in accounting policies	1 January 2018	Post-tax amount attributable to the Company	31 December 2018	Pre-tax amount incurred in current year	Less: transfer of other comprehensive income	Less: Income tax expenses	Post-tax amount attributable to the Company
Items that will not be reclassified to profit or loss									
Changes in value of other equity investments	-	451,344	451,344	(150,976)	300,368	(150,976)	-	-	(150,976)
Item that may be reclassified subsequently to profit and loss									
Property revaluation reserve	43,754	-	43,754	-	43,754	-	-	-	-
	43,754	451,344	495,098	(150,976)	344,122	(150,976)	-	-	(150,976)

Notes to the Financial Statements

For the period started from 1 January and ended 30 June 2019

(All amounts in RMB'000 unless otherwise stated)

(English Translation for Reference Only)

XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

15. Undistributed profits

	For the period from 1 January to 30 June In 2019	2018
Undistributed profits at the beginning of the year	2,750,598	2,189,653
Add: net profit attributable to the Company for the current year	1,472,323	1,446,369
Less: influence of issuance of perpetual bonds	(100,200)	(77,841)
Less: appropriation for surplus reserve	–	(1,050)
Ordinary share dividends payable	(1,641,980)	(806,533)
Undistributed profits at the end of the year	2,480,741	2,750,598

Approved by the shareholders' general meeting on 3 June 2019, the Company distributed cash dividends to ordinary shareholders on 28 June 2019, at RMB0.55 per share (2018: RMB0.27 per share), totaling RMB1,641,980,000 (2018: RMB806,533,000).

16. Revenue and cost of sales

(1) Revenue and cost of sales

	For the period from 1 January to 30 June In 2019	For the period from 1 January to 30 June In 2018
Revenue from other operations	124,533	159,174
Cost of sales from other operations	2,130	–

(2) Revenue and cost of sales from other operations

	For the period from 1 January to 30 June In 2019		For the period from 1 January to 30 June In 2018	
	Revenue from other operations	Cost of sales from other operations	Revenue from other operations	Cost of sales from other operations
Commission	115,945	–	158,570	–
Others	8,588	2,130	604	–
Total	124,533	2,130	159,174	–

Notes to the Financial Statements

For the period started from 1 January and ended 30 June 2019
(All amounts in RMB' 000 unless otherwise stated)
(English Translation for Reference Only)

XVI.NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

17. Financial (income)/expenses

	For the period from 1 January to 30 June In 2019	For the period from 1 January to 30 June In 2018
Interest expenses	468,752	235,069
Less: Interest income	(411,609)	(105,426)
Exchange (gains)/losses	(27,042)	(41,732)
Others	11,412	5,851
Total	41,513	93,762

18. Expenses by nature

	For the period from 1 January to 30 June In 2019	For the period from 1 January to 30 June In 2018
Salary and wages	91,868	74,601
Agency fees	13,923	17,833
Office expenditure and operating expenditure	7,815	7,346
Software and system maintenance fee	6,448	3,515
Depreciation and amortisation	12,099	12,270
Travel and communication costs	5,250	4,915
Advertising and stock certificate fee	2,975	2,548
Technical development expenditure	1,774	5,579
Other expenses	5,250	1,932
Total	147,402	130,539

Notes to the Financial Statements

For the period started from 1 January and ended 30 June 2019

(All amounts in RMB'000 unless otherwise stated)

(English Translation for Reference Only)

XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

19. Investment (loss)/income

(1) Investment income by projects

	For the period from 1 January to 30 June In 2019	For the period from 1 January to 30 June In 2018
Income from long-term equity investment under cost method	1,546,978	1,142,265
Income earned during the holding period of other equity investments	5,000	6,000
Losses from disposal of derivative financial assets and liabilities	(12,461)	–
Losses from disposal of long-term equity investment	–	(64,306)
Other investment income	–	310
Total	1,539,517	1,084,269

20. Income tax credits

	For the period from 1 January to 30 June In 2019	For the period from 1 January to 30 June In 2018
Current income tax calculated based on tax law and related regulations	–	–
Deferred income tax	4,715	1,372
Total	4,715	1,372

The income tax based on the applicable profit rate is adjusted to income tax expense based on the total profit of the consolidated income statement:

	For the period from 1 January to 30 June In 2019	For the period from 1 January to 30 June In 2018
Profit before income tax	1,477,038	1,051,172
Income tax expenses calculated at applicable tax rates	369,260	262,793
Expenses not deductible for tax purposes	408	463
The tax effect of the current year's loss of unrecognised deferred income tax assets	23,512	25,182
Income not subject to tax	(387,995)	(287,066)
Tax impact on unrecognised temporary differences in deferred income tax assets	(470)	–
Income tax expenses	4,715	1,372

Notes to the Financial Statements

For the period started from 1 January and ended 30 June 2019
(All amounts in RMB' 000 unless otherwise stated)
(English Translation for Reference Only)

XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

21. Notes to the cash flow statement

(1) Supplementary information to the cash flow statement:

(a) Reconciliation from net profit to cash flows from operating activities:

	For the period from 1 January to 30 June In 2019	For the period from 1 January to 30 June In 2018
Net profit	1,472,323	1,049,800
Add: Impairment provision for assets	–	–
Depreciation of fixed assets	7,253	6,959
Amortisation of intangible assets	129	129
Amortisation of long-term prepaid expenses	4,717	5,182
Increase in accrued expenses	–	(4,870)
Amortisation of deferred income	(1,880)	–
(Profits)/losses on disposal of fixed assets	–	(17,538)
Fair value gains	339	(513)
Financial expenses	40,402	161,488
Investment income	(1,539,517)	(1,084,269)
Increase in deferred tax assets	4,715	1,372
Increase in operating receivables	(117,138)	(1,554,133)
(Increase)/decrease in operating payables	(408,728)	(1,437,004)
Net cash flows from operating activities	(537,385)	(2,873,397)

(b) Net change of cash and cash equivalents:

	For the period from 1 January to 30 June In 2019	For the period from 1 January to 30 June In 2018
Cash and cash equivalents at the end of the period	981,290	588,749
Less: cash and cash equivalents at the beginning of the year	721,395	335,730
Net change of cash and cash equivalents	259,895	253,019

Notes to the Financial Statements

For the period started from 1 January and ended 30 June 2019

(All amounts in RMB'000 unless otherwise stated)

(English Translation for Reference Only)

XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

21. Notes to the cash flow statement (Continued)

(2) Composition of cash and cash equivalents

	30 June 2019	30 June 2018
I. Cash		
Including: Cash at bank that can be liquidated at any time on demand	981,290	588,749
Other monetary fund that can be readily drawn on demand	-	-
II. Cash and cash equivalents at the end of the year that can be liquidated at any time on demand	981,290	588,749

Note: Aforesaid "Cash at bank and on hand" excluded restricted cash.

Supplementary Information

For the period started from 1 January and ended 30 June 2019
(All amounts in RMB' 000 unless otherwise stated)
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1. STATEMENT OF NON-RECURRING PROFIT OR LOSS

	For the Period from 1 January to 30 June 2019	For the Period from 1 January to 30 June 2018
Income from disposal of non-current assets	49,510	37,319
Government grants recognised in profit or loss for the current period	428,719	120,979
Gains from changes in fair value arising from holding financial assets held for trading, and investments gains arising from disposal of other debt investments and other non-current financial assets except for the effective hedging activities related to the Group's ordinary activities	(157,566)	9,007
Income from disposal of long-term equity investment	18,527	116,892
Other non-recurring gains and losses items	126,947	1,428
Effect of income tax	(73,165)	(2,803)
Effect of minority interests (after tax)	(163,340)	(37,441)
Total	229,632	245,381

Note: Aforesaid non-recurring profit or loss was presented at amount before taxation.

Basis for preparation of statement of non-recurring profit or loss

Under the requirements in Explanatory announcement No. 1 on information disclosure by companies offering securities to the public – non-recurring profit or loss [2008] from CSRC, non-recurring profit or loss refer to those arises from transactions and events that are not directly relevant to ordinary activities, or that are relevant to ordinary activities, but are extraordinary and not expected to recur frequently that would have an influence on users of financial statements making economic decisions on the financial performance and profitability of an enterprise.

2. RETURN ON NET ASSETS AND EARNINGS PER SHARE

In accordance with Interpretive Pronouncement on the Preparation of Information Disclosures of Companies Issuing Public Shares No. 9 – Earnings per share and return on net assets (2010 revised) and relevant requirements of accounting standard, the calculation of earnings per share and return on net assets of the Company is listed as follows:

	Earnings per share					
	Weighted average return on net assets (%)		Basic earnings per share		Diluted earnings per share	
	For the Period from 1 January to 30 June 2019	For the Period from 1 January to 30 June 2018	For the Period from 1 January to 30 June 2019	For the Period from 1 January to 30 June 2018	For the Period from 1 January to 30 June 2019	For the Period from 1 January to 30 June 2018
Net profit attributable to ordinary shareholders of the Company	1.70%	2.95%	0.1618	0.2551	0.1604	0.2532
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit or loss	1.02%	2.16%	0.0977	0.1866	0.0964	0.1849

Chapter XI Documents Available for Inspection

- I. The original copies of the interim report of the Company for 2019 signed by the Company's legal representative.
- II. The original copies of the unaudited financial report of the Company for the six months ended 30 June 2019 prepared under CASBE duly signed and under the seal of the legal representative of the Company, the person-in-charge of accounting affairs, and accounting person-in-charge (General Manager of Financial Management Department).
- III. The original copies of the documents and announcements of the Company published in the newspaper stipulated by the China Securities Regulatory Commission during the Reporting Period.

Wang Hong
Chairman

China International Marine Containers (Group) Co., Ltd.

August 2019

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Driving new value Moving the world

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