



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 | 2020

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 2020 interim report (hereinafter referred to as the "Report" or the "2020 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 twelfth meeting of the ninth session of the Board in 2020 (hereinafter referred to as the "Meeting"). All Directors have attended the Meeting to review and approve this Report and the Meeting was held as an on-site + web meeting. All Directors warrant, and there is no dissenting opinion as to, the truthfulness, accuracy and completeness of 2020 Interim Report.

The financial report of the Group has 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 2020 (hereinafter referred to as the "2020 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 former chairman of the Board who resigned on 27 August 2020, Mr. Mai Boliang, CEO and former president who was elected as the chairman of the ninth session of the Board of the Company on 27 August 2020 and resigned as the president of the Company on the same day, and Mr. Zeng Han, chief financial officer, 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 2020 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 2020 (six months ended 30 June 2019: 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 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.
“China COSCO Shipping”	China COSCO Shipping Corporation Limited (中國遠洋海運集團有限公司), 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 (招商局集團有限公司), 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 (Hong Kong stock code: 3899) and a non-wholly-owned subsidiary of the Company.
“CIMC Finance Company”	CIMC Finance Co., Ltd. (中集集團財務有限公司), 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. (中集融資租賃有限公司), a company incorporated in the PRC in 2007 and a wholly-owned subsidiary of the Company.

Definitions

“CIMC Industry & City”	Shenzhen CIMC Industry & City Development Group Co., Ltd. (深圳市中集產城發展集團有限公司), a company incorporated in the PRC with limited liability in 1998 and a non-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 (中集來福士海洋工程 (新加坡) 有限公司), a company incorporated in Singapore with limited liability in 1994 and a wholly-owned subsidiary of the Company.
“CIMC TianDa”	formerly known as 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 (中集天達控股有限公司) on 18 May 2018.
“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, the shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Hong Kong stock code: 1839) 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 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 2020 to 30 June 2020.
“Rules of Procedures for the General Meeting”	the Rules of Procedures for the General Meetings of China International Marine Containers (Group) Co., Ltd.

Definitions

“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 Directors 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. (深圳南方中集集裝箱製造有限公司), 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.
“Ziegler”	Albert Ziegler GmbH, a company incorporated in Germany and a non-wholly-owned subsidiary of the Company.

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.
FPSO	Floating Production Storage and Offloading.
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 but not limited to 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 oil drilling equipment is generally used for mounting machinery, power supply, equipment and accommodation facilities for drilling and certain liftable spud legs on a platform floating on the water.
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	Optimization Never Ending, the lean management system of the Group.
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:	ir@cimc.com
Unified Social Credit Code:	91440300618869509J

II. CONTACT PERSONS AND MEANS OF COMMUNICATION

Secretary to the Board, Company Secretary:	YU Yuqun
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Contact Telephone:	(86) 755-2669 1130
Facsimile:	(86) 755-2682 6579
Email Address:	ir@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:	ir@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:	The 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	For the Period from 1 January to 30 June 2020 (unaudited)	For the Period from 1 January to 30 June 2019 (unaudited)	Changes from the same period of the previous year to the Reporting Period (%)
Operating revenue	39,431,807	42,717,729	(7.69%)
Operating profit	588,681	1,518,517	(61.23%)
Total profit	641,350	1,640,156	(60.90%)
Income tax expense	399,132	537,936	(25.80%)
Net profit	242,218	1,102,220	(78.02%)
Net (loss)/profit attributable to shareholders and other equity holders of the parent company	(182,797)	679,829	(126.89%)
Profit or loss attributable to minority shareholders	425,015	422,391	0.62%
Net (loss)/profit attributable to shareholders and other equity holders of the parent company after deducting non-recurring profit or loss	(236,265)	450,197	(152.48%)

Unit: RMB thousand

Consolidated balance sheet items	30 June 2020 (unaudited)	31 December 2019 (audited)	Changes from the end of previous year to the end of the Reporting Period (%)
Total current assets	90,525,972	90,023,127	0.56%
Total non-current assets	86,421,680	82,084,394	5.28%
Total assets	176,947,652	172,107,521	2.81%
Total current liabilities	70,605,092	70,551,310	0.08%
Total non-current liabilities	50,264,229	46,518,233	8.05%
Total liabilities	120,869,321	117,069,543	3.25%
Total shareholders' equity	56,078,331	55,037,978	1.89%
Total equity attributable to shareholders and other equity holders of the parent company	40,447,209	39,253,886	3.04%
Minority interests	15,631,122	15,784,092	(0.97%)

Chapter II Summary of Accounting Data and Financial Indicators

Unit: RMB thousand

Consolidated cash flow statement items	For the Period from 1 January to 30 June 2020 (unaudited)	For the Period from 1 January to 30 June 2019 (unaudited)	Changes from the same period of the previous year to the Reporting Period (%)
Net cash flows from operating activities	2,242,911	(2,102,412)	206.68%
Net cash flows from investing activities	(885,872)	(3,125,255)	71.65%
Net cash flows from financing activities	561,330	427,099	31.43%

Key Financial Indicators

	For the Period from 1 January to 30 June 2020 (unaudited)	For the Period from 1 January to 30 June 2019 (unaudited)	Changes from the same period of the previous year to the Reporting Period (%)
Basic earnings per share (RMB)	(0.0841)	0.1618	(151.98%)
Diluted earnings per share (RMB)	(0.0841)	0.1604	(152.43%)
Weighted average return on net assets (%)	(0.86%)	1.70%	(2.56%)
Weighted average return on net assets after deducting non-recurring profit or loss (%)	(1.02%)	1.02%	(2.04%)
Net cash flows from operating activities per share (RMB)	0.63	(0.59)	206.78%

	30 June 2020 (unaudited)	31 December 2019 (audited)	Changes from the end of 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)	11.28	10.95	3.01%

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 AMOUNTS

Applicable Not applicable

Unit: RMB thousand

Item	For the Period from 1 January to 30 June 2020 (unaudited)
Gains from disposal of non-current assets	102,983
Government grants recognised in profit or loss for the current period	358,619
Gains or losses from changes in fair value arising from holding financial assets held for trading, and investment gains arising from disposal of other equity instrument investments, other debt investments and other non-current financial assets 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	(340,672)
Net gains from disposal of long-term equity investment	66,577
Other non-operating income and expenses other than the above items	59,632
Effect of income tax	(39,469)
Effect of minority interests (after tax)	(154,202)
Total	53,468

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 defining the 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 which are listed as non-recurring profit or loss items under the requirements of the Explanatory Announcement No. 1 as recurring profit or loss items.

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

MAIN BUSINESS SEGMENTS



Chapter III Report of the Board

I. BUSINESS SUMMARY

The Group is a world leading equipment and solution provider in 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, airport facilities/fire safety and automated logistics equipment, as well as the provision of relevant services, including the design and manufacture of international standard dry containers, reefer containers, special-purpose containers, tank containers, wooden container floorboards, road tank trucks, natural gas processing equipment and static tanks, road transportation vehicles, heavy trucks, jack-up drilling platforms, semi-submersible drilling platforms, special vessels, passenger boarding bridges and bridge-mounted equipment, airport ground support equipment, fire safety and rescue vehicles, and the design, manufacture and services of automated logistics system and intelligent parking system. In addition, the Group is also engaged in logistics services business, industrial city development, finance and asset management business, unit load business and other businesses. Through business expansion and technology development, the Group has formed an industry cluster focusing on key equipment and solutions provided for the logistics and energy industries.

Currently, the Group is ranked No. 1 in the world in terms of production and sales of standard dry containers and reefer containers; according to statistics from the International Tank Container Organisation, the production and sales of tank containers is ranked No. 1 in the world; the Group is the top semi-trailer manufacturer in the world in terms of sales volume; the Group's comprehensive competitiveness in boarding bridge business ranks among the world's leaders, as one of the world's three largest passenger boarding bridge manufacturers, and its market share in China has reached more than 95% for four consecutive years; and 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 principal business model of the Group, and the businesses contributing 10% or more to the Group's revenue included container manufacturing, road transportation vehicles, 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 2020, the international economic situation remained complex, and the global economy faced severe risks and challenges. The unexpected COVID-19 outbreak brought unprecedented impact, which led to the deep recession of the global economy. In the first half of the year, prevention and control measures against the epidemic and economic and social development were promoted nationwide in a coordinated way. The domestic economy went down first and then rose with steady recovery due to the function of a series of policies on the basis of strict prevention measures against the epidemic at the early stage and gradual release of the lock-down measures.

During the Reporting Period, the Group's revenue amounted to RMB39,431.807 million (same period in 2019: RMB42,717.729 million), representing a year-on-year decrease of 7.69%. Among the principal businesses, revenue from the offshore engineering business and industrial city development business increased significantly, revenue from the logistics services business and finance and asset management business sustained stable growth, while revenue from the container manufacturing, road transportation vehicles, energy/chemical and liquid food equipment, airport facilities/fire safety and automated logistics equipment and heavy trucks businesses declined to a certain extent. During the Reporting Period, the Group's net loss attributable to the shareholders and other equity holders of the parent company amounted to RMB182.797 million (same period in 2019: net profit amounted to RMB679.829 million), representing a year-on-year decrease of 126.89%.

Chapter III Report of the Board

2. Review of Operations of Major Business Segments



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

In the first half of 2020, the pace of global economic growth slowed down amid the epidemic. Consequently, the global trade volume declined sharply and the growth rate of container transportation demand fell into a negative range, and customers significantly reduced their purchases of new containers. However, the lower manufacturing costs resulted from the decrease in the price of steel and other materials, coupled with the context of the industry's healthy and sustainable development actions, led to an obvious year-on-year container price hike. As a result, the overall profit margin of container industry maintained at a good level this year.

During the Reporting Period, affected by the declined demand for container business, the accumulated sales volume of ordinary dry containers of the Group reached 358,300 TEUs (same period in 2019: 573,600 TEUs), representing a year-on-year decrease of 37.53%; the accumulated sales volume of reefer containers reached 53,600 TEUs (same period in 2019: 50,700 TEUs), representing a year-on-year increase of 5.72%. The container business of the Group recorded a revenue of RMB8,448.783 million (same period in 2019: RMB11,332.500 million), representing a year-on-year decrease of 25.45%; and a net profit of RMB238.928 million (same period in 2019: RMB37.580 million), representing a year-on-year increase of 535.78%.

In the first half of 2020, the market demand for containers decreased significantly as compared to the same period last year. Notwithstanding the lower sales volume as compared to the same period last year, the standard dry containers enjoyed an obvious quarter-on-quarter and year-on-year per container price hike in the second quarter, and the reefer container business recorded a slight year-on-year increase. Overall, the profit margin of the Group in container business increased considerably as compared to the same period last year, and the production and operation were carried out in a normal and stable manner.

Chapter III Report of the Board

Road Transportation Vehicles Business



CIMC Vehicles, a subsidiary of the Group, is principally engaged in the manufacture and sale of semi-trailers, truck bodies for specialty vehicles and refrigerated van bodies. CIMC Vehicles' product portfolio mainly includes (1) global semi-trailer products, comprising skeletal container semi-trailers, flatbed trucks and their derivatives, curtain side semi-trailers, van semi-trailers, refrigerated semi-trailers, tank semi-trailers and other special types of semi-trailers; (2) China's truck bodies for specialty vehicles, comprising urban muck truck bodies and cement mixer truck bodies and fully-assembled vehicles; (3) refrigerated van bodies. Since tapping into the semi-trailer industry in 2002, CIMC Vehicles has maintained its leading position in the industry by building and improving a comprehensive "high-end manufacturing system", with its operational and technical advantages established on "concentration and innovation".

In the first half of 2020, the globalization of road transportation vehicles business was continuously affected by the global outbreak and spread of the COVID-19 epidemic as well as the impact of Sino-US trade tariffs. In the domestic market of semi-trailers, the Work Safety Commission of the State Council deployed the "Three-year Action Plan for National Safety Production Special Rectification" (全國安全生產專項整治三年行動計劃) in the first half of this year, which promoted the replacement of second-generation semi-trailers and the improvement of quality of semi-trailers in China. In the domestic market of specialty vehicles, the market sales rebounded rapidly, as driven by the greater efforts to invest in infrastructure in China. In the domestic market of refrigerated trucks, more consumers preferred to purchase consumer goods under e-commerce model due to the COVID-19 epidemic, driving the accelerated growth of the refrigerated van market. In the overseas market, there were many uncertainties in overseas markets because the downward pressure on the global economy has intensified and the export of foreign trade products have been blocked.

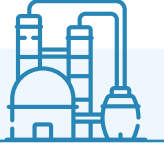
During the Reporting Period, the road transportation vehicles business of the Group achieved a total sales volume of 77,944 units/sets (same period in 2019: 90,123 units/sets), representing a year-on-year decrease of 13.51%; recorded a sales revenue of RMB11,190.519 million (same period in 2019: RMB12,713.598 million), representing a year-on-year decrease of 11.98%; and a net profit of RMB698.246 million (same period in 2019: RMB845.041 million), representing a year-on-year decrease of 17.37%.

In the domestic market: (1) CIMC Vehicles actively implemented the core measures of upgrading the "product modules" and continued to improve the "lighthouse" factories of CIMC Vehicles in China, which significantly increased the unit price and gross profit margin of semi-trailer products; (2) The industry-leading automated coating production line of Luoyang production base under CIMC Vehicles was successfully put into operation, which marked a major breakthrough in the upgrade of the production line of truck bodies for specialty vehicles of CIMC Vehicles. Cement mixer truck and urban muck truck bodies achieved good sales performance, gross profit margin remained stable, and products are among the best in the industry; (3) CIMC Vehicles launched the environmentally friendly, energy-saving and high-end refrigerated van bodies, which led the market in terms of sales volume. It also actively developed new retails, leading to significant increase in revenue and gross profit margin; (4) As the supply chain gradually returned to normal in the second quarter, revenue from components business in the PRC market stabilized.

In overseas markets: (1) For semi-trailer business in North America, during the epidemic, more than 10,000 units of semi-trailers were produced and delivered in the North American market with stable average gross profit margin and the localization of production and manufacturing process was also accelerated; (2) For semi-trailer business in Europe, LAG Trailer NV Bree, a subsidiary of CIMC Vehicles, had good control over the impact of the epidemic, and thus, production efficiency and order delivery gradually recovered, and gross profit margin increased; while SDC Trailer Ltd. was affected by the epidemic, and its revenue and gross profit margin declined as compared with the same period last year; (3) The supply chain of components in overseas markets has been impacted significantly, which affected the components business in North America, Europe and other markets, leading to a decline in revenue.

Chapter III Report of the Board

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 clean energy, chemical environment and liquid food, as well as provision of relevant technical and maintenance services. The main operating entity is CIMC Enric.

During the Reporting Period, the Group's energy, chemical and liquid food equipment business recorded a revenue of RMB5,797.777 million (same period in 2019: RMB7,181.715 million), representing a year-on-year decrease of 19.27%; the net profit amounted to RMB156.838 million (same period in 2019: RMB363.421 million), representing a year-on-year decrease of 56.84%. Among the three major business segments of CIMC Enric, a subsidiary of the Group, the clean energy business recorded a revenue of RMB2,993.243 million (same period in 2019: RMB3,120.071 million), representing a year-on-year decrease of 4.1%; the chemical environment business recorded a revenue of RMB1,072.219 million (same period in 2019: RMB1,932.867 million), representing a year-on-year decrease of 44.5%; the liquid food business recorded a revenue of RMB1,021.611 million (same period in 2019: RMB1,507.136 million), representing a year-on-year decrease of 32.2%.

In the first half of 2020, the Group's energy, chemical and liquid food equipment business was affected by the COVID-19 epidemic. The production activities were delayed. The business suspension of customers also delayed the site work (especially the work of overseas projects) to different extent. (1) The clean energy segment: The segment adhered to the main development path of our core business, namely "equipment manufacturing + engineering services + comprehensive solutions", actively kept in line with national policies, and strategically deployed the entire industrial chain of natural gas. But the delivery and performance of customers' orders was delayed by the suspension of production and site work caused by the lockdown measures for fighting COVID-19. However, as the country announced stricter vehicle emission standards, the market witnessed rising demands for LNG-driven heavy trucks, which stimulated the sales volume of LNG fuel tanks to grow. (2) The chemical environment segment: Demands for standard tank containers decreased since the second half of 2019, and the overall demand in the tank container market declined significantly as the COVID-19 epidemic had a negative impact on the global trade. Although the segment was faced with pressure in the short term, its market position will be further enhanced in the long run. (3) The liquid food segment: Most of the businesses in the segment involved site work, and the outbreak of COVID-19 delayed the site work to a great extent, leading to the failure to realize delivery as scheduled. Despite that, the liquid food segment still strived to become the largest global engineering supplier in the distilled liquor industry. In the first half of 2020, the segment acquired 100% equity interest of McMillan (Coppersmiths & Fabricators) Ltd., which will help the segment realize full industrial chain coverage in the distilled liquor industry.

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Established under CIMC Raffles, a subsidiary of the Group, are four R&D and design companies, three construction bases and six operation and management companies, whose integrated operation model comprises design, procurement, manufacture, construction, 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 drilling 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.

Since 2016, the international oil prices have been generally fluctuating at low levels. Under the tremendous impact of COVID-19 on the global crude oil market, crude oil prices plummeted to bottom in the first quarter of 2020. The low-oil-price business environment has had a direct impact on major energy companies in the world, who have unanimously announced investment cuts.

During the Reporting Period, as new orders for offshore engineering entered the construction period, the offshore engineering business of the Group recorded a revenue of RMB2,527.837 million (same period in 2019: RMB1,687.079 million), representing a year-on-year increase of 49.84%; and a net loss of RMB889.767 million (same period in 2019: net loss of RMB703.312 million), representing a year-on-year loss increase of 26.51%.

In the first half of 2020, CIMC Raffles newly acquired effective orders with a value of USD163 million, and the accumulated value of orders on hand reached USD765 million, of which non-oil and gas orders accounted for approximately 70%, showing a continuous growth trend. Newly acquired effective orders include 5 oil-and-gas modular projects, 4 offshore wind power projects, 1 fishery project, 1 traditional drilling and special ship business line project, and 1 ship repairing project. Project construction: the Sweden roll-on roll-off vessel H487 and the Y-TYPE yacht carrier H485 held the kick-off ceremony in March 2020; YinsonManifold module project contract and the wind power jacket project of Guangzhou Salvage Bureau under the Ministry of Transport both kicked off in April 2020; and "Bohai Hengtong", the largest multifunctional RORO in Asia, was launched in the same month, which represents the first project of CIMC Raffles in transformation for new growth drivers under the sluggish oil and gas market condition. Delivery: "Nordlaks", the world's most automated deep sea breeding vessel, was completed and delivered in April 2020; Genghai 1# Project, a blooming marine flower of steel, was towed and delivered in May; and the hull building project for Lingshui 17-2 semi-submersible platform was successfully completed and delivered at the construction base, Haiyang CIMC Raffles Wharf, in June.

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The principal businesses of the Group's airport facilities, fire safety and automated logistics system business are carried out through its subsidiary CIMC TianDa.

During the Reporting Period, the airport facilities, fire safety and automated logistics system business of the Group recorded a revenue of RMB2,190.809 million (same period in 2019: RMB2,353.548 million), representing a year-on-year decrease of 6.91%; and a net profit of RMB78.474 million (same period in 2019: RMB73.964 million), representing a year-on-year increase of 6.10%.

In the first half of 2020, the operation of the Group's airport facilities, fire safety and automated logistics system business is as follows: (1) The airport facilities equipment business: Affected by the COVID-19 outbreak, the Group's delivery and installation progress of boarding bridges and bridge-mounted equipment was delayed by going out and travel restrictions and other epidemic containment measures. As the epidemic prevention and control reported positive development, the Group made great efforts to catch up the schedule, and currently most of the projects are able to realize delivery and sales recognition in the second half as scheduled. In February, the Group won the bid for the boarding bridges and bridge-mounted equipment project of Clark International Airport in Philippines, with the value of order exceeding RMB70 million. The strength of professional service teams and the advantage of sufficient subcontracting resources of our overseas enterprises were fully exploited in supporting on-time delivery of overseas projects amid epidemic containment. (2) The fire and rescue vehicle business: Sales revenue and profit in the first half of 2020 recorded a decrease from the level of last year, for the production plan was affected by the supply chain issues (especially for imported chassis). Completing the acquisition of equity interest of Shanghai Jindun Special Vehicle Equipment Co., Ltd., Shenyang Jietong Fire Truck Co., Ltd and Ziegler last year, CIMC TianDa has become the largest domestic fire truck group, and the strategic layout in respect of market, product and production has also been improved, which laid down a solid foundation for realizing the next plan of becoming the industry champion. The Group is now promoting the integrated operation of fire safety business unit to realize the maximum synergy, and the fire and rescue vehicle business will experience further development after the impact of COVID-19 fades away. (3) The automated logistics systems business: The Group continued to consolidate the logistics business unit vigorously, remained focused on the business and market, and became the reputable and reliable representative of automation solution providers to certain industries. While improving the project management, the Group developed competitive advantages of professionalism and high-efficient delivery. Although the project progress was delayed by COVID-19 in the first half of 2020, relevant parties have fully returned to work as the epidemic control reported positive results in China, and measures including adjusting the schedule and intensifying work efforts will be taken in the future.

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Heavy Trucks Business



The Group operates the heavy trucks business through its subsidiary C&C Trucks. The strategic vision of C&C Trucks is to build a high-quality heavy truck brand and provide the modernized transportation and logistics with first-class products and services. Its key products cover two categories, namely diesel and natural gas, and four series, namely tractors, mixer trucks, dump trucks, cargo trucks and special-purpose vehicles.

During the Reporting Period, the overall sales volume of C&C Trucks was 3,006 vehicles (same period in 2019: 3,646 vehicles), representing a year-on-year decrease of 17.55%. Sales revenue amounted to RMB880.921 million (same period in 2019: RMB1,111.420 million), representing a year-on-year decrease of 20.74%, and a net loss of RMB137.999 million (same period in 2019: a net loss of RMB43.698 million) was recorded, representing a year-on-year loss increase of 215.80%.

In the first half of 2020, the sales volume of C&C Trucks saw a relatively sharp year-on-year decline due to COVID-19 and other reasons. In spite of that, C&C Trucks focused on products, regional markets and channels in the first half, strengthened marketing system construction and strategy adjustment, and established a dedicated group to handle historical accounts receivable and slow-moving inventories and to vitalise existing assets. It further promoted the product lightweight development and the cost reduction and efficiency improvement.

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The logistics service business of the Group is committed to becoming the leader characterising with “equipment + service” in multimodal transport industry in the PRC, focusing on the multimodal transport network layout of major domestic seaports, Yangtze River ports, railway central stations and major international routes. By carrying out equipment leasing and selling business, station operation business, freight services business, as well as ecological support business such as shipping agency, customs declaration, barge and fleet service, the Group endeavors to build a multimodal transport development model combining containers, goods and yards with railway stations as the foundation, equipment as the support, and cargo control as its core.

The unexpected COVID-19 outbreak had a great impact on the logistics sector and market in the first half of 2020. Countries hit by the epidemic were faced with economic downturn, which led to declining overall demands for international multimodal transport and project logistics. Consequently, our principal businesses were affected to different extent. In the first half of 2020, the logistics services business of the Group focused on multimodal transport strategy with the aim of proactively promoting new businesses, exploring new models, implementing multiple measures, controlling costs and capturing opportunities amid difficulties, thereby making progress in terms of both business transformation development and organizational management operation.

During the Reporting Period, the Group’s logistics services business recorded a revenue of RMB4,451.534 million (same period in 2019: RMB4,310.316 million), representing a year-on-year increase of 3.28%; net profit was RMB232.089 million (same period in 2019: RMB90.772 million), representing a year-on-year increase of 155.68%, which was mainly affected by the gain arising from the transfer of equity interests in certain subsidiaries to unit load business during the Reporting Period.

In the second half of 2020, as the epidemic is controlled, the domestic manufacturing sector will recover gradually, and the international logistics business is expected to stabilize. The Group will continue to invest in developing the multimodal passage network, controlling core resources and expanding markets, and will also continue to enhance the cost management.

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

During the Reporting Period, the Group's industrial city development business recorded a revenue of RMB1,262.133 million (same period in 2019: RMB563.308 million), representing a year-on-year increase of 124.06%; and a net profit of RMB135.776 million (same period in 2019: RMB78.253 million), representing a year-on-year increase of 73.51%. During the Reporting Period, the revenue and net profits increased significantly as compared with the same period of last year, mainly due to carrying-forward of projects.

In the first half of 2020, the Group's industrial city development business adhered to development strategy of industry and city integration, focusing on the development of two major core areas of Guangdong-Hong Kong-Macao Greater Bay Area and Yangtze River Delta. Overcoming the impact of the COVID-19 epidemic, the Group recorded real estate contracted pre-sale amount of RMB3.819 billion and contracted payment of RMB2.9 billion in the first half of 2020. During the Reporting Period, the first phase of the CIMC Gemdale Meilan City Project in Baoshan, Shanghai was launched, and was about to be capped after completion of the main body construction. The subscription amount reached RMB2.192 billion with accumulated payment of RMB1.16 billion. Qianhai Pre-initiation Project in Shenzhen, the Prince Bay Project in Shenzhen and the Low-orbit Satellite IoT Industrial Park Project in Guangming District of Shenzhen were under rapid development.

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Finance and Asset Management Business



The Group's finance and asset management 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 entities consist of CIMC Financial Leasing Company, CIMC Finance Company and offshore engineering asset management platform companies.

During the Reporting Period, the finance and asset management business realized a revenue of RMB1,134.684 million (same period in 2019: RMB940.284 million), representing a year-on-year increase of 20.67%. Net profit amounted to RMB178.750 million (same period in 2019: RMB199.065 million), representing a year-on-year decrease of 10.21%.

In the first half of 2020, CIMC Financial Leasing Company firmly adhered to the strategic positioning of "integration of industry and finance", focused on the Group's core business ecosystem, consolidated the operational and financial synergies in the Group's manufacturing segment, stuck to the strategy of "quality first, strict risk control" and further adjusted and improved the comprehensive risk management system. For the first half of 2020, the launching of new businesses met expectations and maintained safe and steady development on the whole.

In the first half of 2020, CIMC Finance Company launched comprehensive services to meet financing requirements of member companies and industry chain enterprises, set differentiated financial service plans during the outbreak of COVID-19, and offered enterprises different financial support based on their locations, industries and business types. It provided a total of RMB6,700 million in the first half of 2020 by renewing credit, granting new credit, deferring interest payment and reducing charges, thus ensuring a smooth capital chain of the Group with multiple measures. In the meantime, CIMC Finance Company strictly implemented the management and control measures of the Group for special period, further strengthened the centralized capital management, improve the liquidity and enhanced the risk management to ensure that the overall capital chain of the Group was safe and stable.

In the first half of 2020, CIMC's offshore engineering asset management business quickly responded to negative impacts of COVID-19. On one hand, it coordinated resources to actively prevent the epidemic and ensured that projects were not suspended due to the epidemic. On the other hand, it strengthened the cooperation with core customers to achieve the stability and timely collection of leases on hand. For asset operation, 9 enforceable leases were signed. In particular, the "Deepsea Yantai" semi-submersible drilling platform had a lease rate of 99.9% in the first half of 2020, and assisted the owner to discover new oil and gas resources in the North Sea of Norway. The "Blue Whale No. II" ultra-deep water drilling platform made contributions to the success of China's second round of natural gas hydrate pilot production. The "OOS Tiradentes" life support platform operating in Brazil received a new operation notice from Petrobras; several jack-up drilling platforms continued to operate in the Bohai Bay and the Gulf of Mexico where the timely collection rate remained above 90%.

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In March 2020, the Group integrated member companies which were engaged in the logistics vehicles business and established CIMC Unit Load Holdings Co., Ltd. (“CIMC Unit Load”). The company has three major business lines: research, development and manufacturing, leasing operation and multimodal transport, focuses on automobile, liquid chemical and rubber industries and provides professional and comprehensive solutions for integrating packaging and transportation of unitized logistics vehicles. After the integration, CIMC Unit Load is of great significance to realize the strategy of “focusing on smart logistics equipment”.

During the Reporting Period, the unit load business realized a revenue of RMB1,286.512 million and recorded a net loss of RMB0.74 million under the impact of macro environment.

In the first half of 2020, vehicle manufacturing, leasing operation and multimodal transport businesses of CIMC Unit Load were affected by COVID-19 and global trade frictions to different extent. The vehicle manufacturing was affected by the epidemic, which led to significant decrease in the revenue and the net profit generated from domestic and overseas markets from the levels of corresponding period of last year, especially the overseas market. Although currently the market continues to recover, it rebounds with a weak momentum, and some countries and regions report resurgence of the outbreak. The leasing operation was less affected by the epidemic and maintained a stable operation; the multimodal transport business was hit the worst among the three, and the main reasons were that: economic activities almost stagnated, and people were forbidden from going out or travelling in February to April due to COVID-19; domestic ports, railway stations and other logistics points suspended operation for a period of time, which led to high costs of capacity idleness incurred on ships, vehicles and transportation resources in this business line. Faced with the severe external environment, CIMC Unit Load adopted a series of measures and the business has a positive net profit at present.

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Modular Building Business

CIMC Modular, a subsidiary of the Group, is engaged in modular building business. As a company that is customer-centric, technology-led and innovation-driven, CIMC Modular develops a one-stop service model of “manufacturing + finance + service” integrating the production and finance, striving to become a technological leader in global green modular buildings. During the Reporting Period, the “Technical Regulations for Box-Type Steel Structure Integrated Modular Buildings (《箱式鋼結構集成模塊建築技術規程》)” compiled by CIMC Modular was promulgated and formally implemented by the China Association for Engineering Construction Standardization. The establishment of a design institute with Grade A design qualification has further improved the position of CIMC Modular in the domestic industry.

Overseas markets: The modular building business further cultivated the existing markets amid the COVID-19 epidemic. In the meantime, expansion in Northern Europe market delivered positive outcomes: the first steel structure modular hotel project delivered in Iceland was completed and received great attention from all sectors of the local community; during the Reporting Period, the business obtained the technology certification from authoritative institutions in Norway, and the first modular hotel project was signed with the strategic partner in Norway, the delivery of which is expected to be completed in August.

Domestic market: CIMC Modular actively participated in the construction of industrialized building and the “Belt and Road” with sufficient orders on hand. It further consolidated its cooperation with renowned technology groups, succeeded in delivering a number of domestic information center projects. During COVID-19, CIMC Modular supported medical staffs who worked at the frontline fighting the virus and built apartments for them, delivering a great model effect and further improving its influence in the domestic market. In actively exploring the promotion and application of two new fields, school and visitor centers, it completed contracting signing in both fields, and there were ongoing negotiations about other orders. The first modular school project in Jiangxi Province was delivered, and the first modular visitor service center in the region was put into service.

Hong Kong market in China: The first permanent high-rise and high-end talent apartment project in Hong Kong was delivered on time, through which, CIMC Modular gained advantages in the competition of Hong Kong’s modular building market. In order to support the emergency fight against epidemic in Hong Kong, the quarantine center project in Pat Heung was quickly delivered, making contributions to the fight against epidemic in Hong Kong.

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New Business Expansion:

Cold Chain Equipment Business

Under the backdrop of increasing per capita income and consumption upgrade and with the aim of ensuring food quality and reducing food waste, the Company, as the largest cold chain logistics equipment solution provider in the country, actively consolidated the advantageous resources of business segments and strengthened the strategy arrangement aiming to make contribution to the healthy and orderly development by industry-leading whole-cold-chain logistics equipment solutions and forward-looking operation services.

Leveraging its own resources, the Company has developed a series of cold chain equipment so far, including reefer containers, refrigerated trailers, refrigerated van bodies, small cold chain logistics equipment, smart cold chain logistics and warehousing system and mobile cold warehouse, and established a cold chain logistics service company which specializes in cross-border fresh food transportation and provides one-stop cross-border whole-process cold chain transportation services integrating ocean freight and land transportation. It established a relatively mature cold chain logistics information platform, achieved temperature monitoring and remote adjustment in the course of food cold chain logistics, and ensured the food safety and traceability. In the meantime, the Company actively expanded to medical cold chain, aviation cold chain and other fields that had higher requirements on temperature control. Take medical cold chain as an example, during COVID-19, the “Lengyun” team of Beijing CIMC JingXin XiangNeng Technology Co., Ltd. succeeded in sending test kits and other medical materials to hospitals of Hubei and other regions hit hard by the virus and to affected countries in Europe, Africa, North America and Middle East, offering support to the local people to fight against the epidemic. Given that the domestic cold chain logistics market is more standardized and that demands grow continuously and rapidly, the Company is upbeat about the future of cold chain business.

III. FUTURE DEVELOPMENT AND OUTLOOK

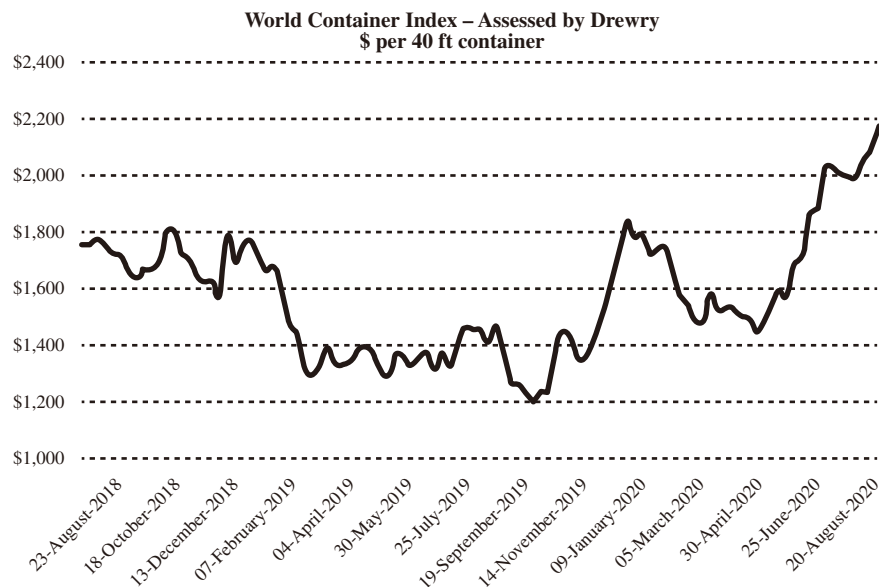
1. Macroeconomic Environment and Policies

In the second half of 2020, the domestic economy will gradually recover and improve from the impact of COVID-19 epidemic, and the global economy will gradually show marginal improvement to a lesser extent. Although there are still uncertainties in multilateral trade, especially the economic and trade relationship between China and the United States, global shipping, especially containers trade has shown trends of bottoming out and recovery. It is expected that the impact of COVID-19 epidemic will gradually weaken, and the global economy will recover slowly. In the second half of 2020, a series of economic policies introduced by China, especially the establishment of “a development pattern in which domestic economic cycle plays a leading role while international economic cycle remains its extension and supplement”, are expected to promote the steady recovery of domestic demand, and the quarter-by-quarter growth of domestic economy will become the general trend.

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2. Industry Development Trend and Market Outlook

In respect of the container manufacturing business: According to the latest prediction made by CLARKSON (an authoritative industry analyst), the volume of global container trade would bottom out and meet a turning point, while the growth of trade will rebound to 7.4% till 2021. Affected by the continued global spread of the epidemic, demand in the container industry dropped significantly in the first half of 2020, and the customers generally strengthened their control over costs and cash flow and were relatively not willing to purchase containers. With the gradual resumption of work and release of limits in Europe and the United States, the container trade is gradually recovering, coupled with factors such as the better-than-expected earnings of container industry in the first half of 2020 and the seasonal market boom in the third quarter, customers' willingness to purchase containers will increase significantly in the second half of 2020. The World Container Index assessed by Drewry, an international shipping research and consulting firm, has rebounded rapidly since July, hitting a record high in 2020. It is expected that there will be great improvement in demand for containers in the second half of 2020 compared with that in the first half of 2020, and the demand for the whole year will slightly decrease compared with last year. However, the demand will probably rebound next year.



In respect of road transportation vehicles business: The manufacturing segment is faced with strong headwinds in the path of globalization in the second half of 2020: the escalating trade frictions between China and the United States, and the cyclical falling demands of semi-trailers in the European market. In contrast, China's transportation industry enters the window period for upgrading. As the new national standard of second-generation semi-trailers becomes effective in 2020, the 17.5-meter flatbed semi-trailers and the ultra-long fence semi-trailers, currently in service in China, are expected to be replaced by van semi-trailers and curtain side semi-trailers, and the upgrading of semi-trailers driven by the Chinese government's effort to regulate overloading will be promoted from a small scope to a large scale. From a micro perspective, specialty vehicles, eco-friendly urban muck truck bodies and light-weight durable cement mixer truck are benefiting from the Chinese government's strong environmental protection initiatives and strict overloading regulation, and are embracing a development window period. After the COVID-19 epidemic, demands for urban muck trucks and cement mixer trucks that meet the standard will rise strongly; China's fresh product logistics will also enter a long-term growth cycle as the service industry accounts for a greater proportion in the GDP. Demands for refrigerated vans and urban distribution vehicles will become strong after the COVID-19 epidemic.

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In respect of energy, chemical and liquid food equipment business: As the epidemic is controlled effectively in the country, the resumption of work and production will be promoted in an orderly manner in the second half of 2020; China's economy recovers steadily since the second quarter, and the market expects that the overall economy will witness positive development. China's natural gas consumption demands will continue to grow; therefore, demands for LNG storage and transportation equipment and downstream application equipment will increase greatly, and the clean energy segment as a whole will benefit from the trend. For the chemical environment segment, demands for tank containers in emerging markets will experience gradual growth in response to the replacement and upgrading of traditional transportation modes for local chemical sectors and the high attention to safe, green and efficient transportation of hazardous goods, which will support the global tank container market to maintain a certain level of growth. In the meantime, the country has increased inputs in water environment, air pollution, soil pollution and industrial solid wastes year on year, which will continuously create favorable conditions to the prospect of chemical environment segment. In the liquid food segment, the development strategy will be reviewed continuously; the segment will actively explore more business opportunities, and make full use of its ability to improve the business positioning.

In respect of the offshore engineering business: In the second half of 2020, the outbreak of the epidemic and low oil prices together with the major trend of energy transition in future will accelerate the transition from traditional oil and gas to offshore renewable energy with current focus on the expansion of offshore wind power along with future development of offshore hydrogen production, offshore energy (wave energy, tidal energy, temperature difference energy, etc.). To mitigate the impact of the oil and gas cycle fluctuations, non-gas and oil offshore business will be greatly expanded, and it will become the major development momentum in future. Currently, the Group places a particular emphasis on the development of the offshore industry such as deep-sea and offshore fishery that is closely related to big spending.

In respect of the airport facilities, fire safety and automated logistics equipment business: In the second half of 2020, due to relaxation of epidemic prevention and control measures in regions and implementation of stimulus policies by the government, it is expected that the overall demand for airport facilities in the market will remain strong. The growth momentum is mainly attributable to facilities upgrade, smart renovation and airport services. In terms of airport facilities equipment business, the GSE business, our shuttle buses will continue to maintain its leading position in the industry. The Group will strive to develop other special environmental-friendly vehicles to satisfy the demand for "green airport". Regarding the fire safety and rescue business, the global market will demonstrate an upward trend amid overall stability. There will be updated and new demand in developed countries and developing countries, respectively. The boundary of the fire safety and rescue equipment in the PRC will be reshaped. The sector will witness an increase in market demand and a decrease in market share of imported enterprise, which will be beneficial to the enhancement in market share of domestic leading enterprises. The domestic market demand will increase after the epidemic. In addition, due to rapid development of urbanization construction nationwide, cities are ripe to be equipped with a comprehensive fire safety and rescue equipment system, which will be conducive to the development of the fire vehicles and fire equipment business. With respect to the automated logistics systems business, resumption of work and production will be affected to a certain extent as a result of insufficient raw materials and labor force under the impact of the epidemic. However, according to the review and implication of the outbreak of "SARS" in 2003 and MERS in the South Korea in 2015, both manufacturing industry and logistics industry demonstrated strong resilience after the epidemic was under control. With regard to this, the automated logistics market will maintain a rapid development trend going forward.

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In respect of the heavy trucks business: In the second half of 2020, the sales of heavy trucks will be significantly enhanced due to eco-upgrade undertaken by the government, elimination of the yellow-label vehicles, upgrade of China III vehicles, investment and construction of major infrastructure projects for internal demand in respective provinces, extraordinary development of e-commerce, Wechat merchants and new retail industry, development and upgrade of green tunnels and cold chain logistics. There will be significant market opportunities for diesel trucks, natural gas trucks, tractors, dump trucks, mixer trucks, various general cargo and dangerous goods trucks meeting China V and China VI emission standards. Regulations governing overloading and legal limit will remain strict. The decrease in transportation capability will result in an increase in demand. Furthermore, there will be increasing development opportunities for light weighted, standard transportation and compliant vehicles.

In respect of the logistics services business: In the second half of 2020, the successive introduction of policies to encourage the development of import and export logistics enterprises, such as stabilizing foreign trade, taxes and fees reducing, one-stop customs clearance, and actively promoting multimodal transport and railway reform by the PRC government will bring good opportunities for the development of logistics business. However, due to the shift of the manufacturing industry, the long-term effect of the epidemic and the trade frictions between the PRC and the US, in the second half of 2020, the burden on import and export business in the PRC remains heavy, and there are still uncertainties in logistics business.

In respect of industrial city development business: The economy will be subject to numerous uncertainties in the second half of 2020. But the industrial city development business will see the co-existence of opportunities and challenges as the epidemic will be controlled by the country and the economy will recover gradually. On the one hand, the COVID-19 epidemic and the new urbanization will promote the industry chain reorganization and the production space reconstruction; the epidemic will stimulate the development of new industries and the transition and upgrading of traditional industries; the country will vigorously advance the new infrastructure. All of these will bring tremendous opportunities to the industrial city development business. The falling loan prime rate (LPR) and the easing monetary policy will also be favorable for industrial parks to develop and operate and to seek financial resources, thus relieving the operation pressure. On the other hand, the land use policy for the industry will be stricter, which, coupled with the requirement of development smart industrial park, the financialization trend of industrial park assets and the escalated industry reshuffle, will set higher requirements to the expansion of the industrial city development business, the industrial park construction, the industry operation and the capital management ability.

In respect of finance and asset management business: In the second half of 2020, the finance lease industry will shift from the exponential growth to the steady development stage under the backdrop of COVID-19 epidemic, downturn pressure on both the national economy and the world's economy, and normalization of finance lease regulation; the industry will witness a slower growth. CIMC Financial Leasing Company will return to the original mission of leasing business, deeply cultivate the physical industry, combine capital with equipment, make use of Fintech and develop the competitive advantages of professionalism and differentiation based on leased assets. In the second half of 2020, as the global offshore engineering asset management industry will further carry out the transition of the mode of development from scale to quality, the high-quality offshore engineering assets currently held by the Company will play a dominant role to realize further development of its business in foreign and domestic markets. In addition, CIMC's offshore engineering asset management business will further follow national and local policies to achieve an integrated development of its business and local economy.

In respect of unit load business: The government will adopt the strategy of stimulating domestic demands in the second half of 2020 to cope with the economic slowdown. Local governments will announce policies in succession to support the automobile industry; the automobile industry will recover gradually, and the growth of auto mobile sales will turn from negative to positive. As a result, equipment leasing demands of automobile and rubber industries will rebound. Because of the second wave of COVID-19 outbreak and the China-United State trade frictions, the global trade will remain grim, the industrial manufacturing sector will see a weak sales performance, and the liquid chemical (mainly coating) equipment leasing business will be affected greatly. Considering the gradual recovery of domestic economy and the vigorous promotion of new infrastructure, it is expected that railway freight demands will rebound rapidly in the second half of 2020.

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3. Overall Operation Targets and Initiatives for Main Business Segments

In the second half of 2020, 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 2020, in the face of the global spread of the epidemic, the Group will continue to respond positively to the various initiatives in respect of the healthy and sustainable development of the industry advocated by the China Container Industry Association, and fully seize the opportunities arising from the market changes at the meantime to improve the profitability of our major businesses. 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 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.

In respect of the road transportation vehicles business: In the second half of 2020, CIMC Vehicles intends to comprehensively build a “high-end manufacturing system” through digital analog design, automated manufacturing, and digital management. Stimulated by the demand of “new infrastructure”, CIMC Vehicles will continue to strengthen the edges of its environmental- friendly urban muck truck and light-weight high-strength durable steel cement mixers, enhance cooperation with main machinery plants, and increase the economies of scale of “lighthouse” factories, so as to expand market share. It will continue to expand the layout of production plants for refrigerated van bodies, and accelerate the design and development of new generation product modules, thus seizing the opportunity of a rapid-growth market. In terms of overseas markets, CIMC Vehicles will, insisting on the business philosophy of “transoceanic management and local manufacturing”, promote the localized production of semi-trailers in North America and Europe, while riding on the advantages of “lighthouse” factories and global supply chain platform, minimize the cost of localized production and increase production effectiveness.

In respect of the energy, chemical and liquid food equipment business: In the second half of 2020, the clean energy segment of the Group’s energy, chemical and liquid food equipment business will continue to seize new opportunities in the development of unconventional natural gas processing and application equipment and offshore LNG applications. Meanwhile, it will further consolidate the overseas energy business, and increase resource inputs to the clean energy field and other new business chains. On the condition of strengthening its leading position in the standard tank container market, the chemical environment segment will vigorously develop the application field of special tank containers, improve the intelligence level of products, leverage the IoT technology to help customers to improve operating efficiency and achieve smart logistics. The segment will build the whole-chain operation ability by basing on the core competence of equipment manufacturing, making technological innovation in the field of environmental improvement as the core competitiveness and focusing on the industrial hazardous waste treatment business. It will promote the large-scale and intensive development and realize the innovation- driven development of environmental protection business. Leveraging the core technology and the engineering procurement construction advantage, the liquid food segment will advance the two-dimension development, vertically, beer industry chain, and horizontally, other liquid food businesses, so that it can expand businesses in the global market and develop the non-beer food equipment and project business.

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In respect of the offshore engineering business: In the second half of 2020, the Group will continue to actively carry out business transformation and layout of the offshore engineering business, and actively exploring the introduction of strategic investors, aiming to develop the Group into a provider of comprehensive marine resource development solutions with international competitiveness. The Group plans to implement the following key measures: (1) de-stocking: pursuing leasing and disposal of existing assets and improving asset operation and management mechanism; (2) structure adjustment: stabilizing the industrial fluctuation cycle and the industrial structure with high-tech products to form a 50/50 business portfolio and production capacity allocation for oil and gas and non-oil and gas businesses; (3) resource integration: leveraging on the core capabilities of the industrial chain (design/equipment) to integrate the state owned enterprises and leading domestic and foreign enterprises, and strive to become a member of the offshore industrial chain ecosystem; (4) management upgrade: adhering to refined management, starting a new business to continue to introduce intelligent digital technology and build offshore intelligent design platform.

In respect of the airport facilities, fire safety and automated logistics equipment business: In the second half of 2020, the airport facilities, fire safety and automated logistics equipment business of the Group 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 and substantially increase the sales proportion of service business. On the basis of self-manufacturing upgrade, the airport facilities equipment business will seek possible value-added space in service and consumer side along the industrial chain. Fire safety and rescue business will further deepen the integrated operation and management, unify service, R&D and procurement, increase overall coordination at the sales and production levels and respond proactively to the supply chain issues that may arise afterwards by adjusting the production process; it will also, continue to optimize and innovate the overall solution of fire truck rental, and start 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 trucks business: In the second half of 2020, C&C Trucks will continue to carry out work by following the operation strategy of “business concentration, organization and empowerment, risks control and quality development”. In the marketing aspect: it will further develop high-quality clients and orders and strengthen the management of accounts receivable. In the product aspect: it will focus on the lightweight development of dump trucks and mixer trucks, upgrade the driver’s cab of engineering vehicles, develop large-capacity dual fuel tank and gas cylinder, and improve the mileage per charge. It will improve the terminal service efficiency, enhance the internal redline management, improve the quota management, strictly control the number of staff members, accelerate the disposal of low-efficiency assets and strengthen efforts to reduce business cost.

In respect of the logistics services business: In the second half of 2020, in the face of changes of internal and external environments, the logistics segment will remain committed to becoming the leader characterizing with “equipment + service” in multimodal transport industry in the PRC and strive to realize steady growth in the severe economic situation. Following the strategy of “one brand, one team and one goal”, it will promote the connection, communication and concentration of the business sectors, enhance the capabilities of strategic leading, organizing and empowering, and business promoting, and advance the profound combining of products, customers and strategic resources to further optimize the overall business structure.

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In respect of the industrial city development business: In the second half of 2020, CIMC Industry & City will stick to the development strategy of “one body two wings, light and heavy go hand in hand”, based in the Guangdong-Hong Kong-Macao Greater Bay Area and the Yangtze River Delta, focus on key industries such as smart manufacturing, new generation information technology, new energy, life and health and smart logistics, provide governments and business partners with investment, construction, investment attraction, operation, comprehensive supporting services that cover the whole cycle of industrial park, and establish a standardized system with industrial city complex, industrial park and incubator.

In respect of the finance and asset management business: In the second half of 2020, CIMC Financial Leasing Company and CIMC Finance Company will continue to deepen the coordination of industry and finance, adhere to the Group’s overall strategic goal and the management and control requirements for special period, gradually develop a diversified financing system and financing capability and realize sustainable development based on the physical industry. In the second half of 2020, offshore engineering asset management platform companies will continue to promote efficient operation and management, and facilitate potential capital coordination.

In respect of the unit load business: In the second half of 2020, CIMC Unit Load will be committed to the following aspects: (1) for the research, development and manufacturing business line, it will strengthen the development of domestic market while maintaining existing clients; (2) for the leasing operation business line, it will adjust the product structure as appropriate, accelerate the business arrangement and the investment in new products, and improve the market share in the second half of 2020; (3) for the multimodal transport business line, it will accelerate the construction of domestic platform with railway transportation as the core, make full use of existing client resources and business foundation while targeting the industries of steel, chemical, fast moving consumer goods and provide industry solutions led by innovative equipment by following the core concept that “pack bulk cargo into containers for transportation and adopt standardized transportation for non-standard cargos.”

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 often 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 demand 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 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 the 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: As affected by trade protectionism measures implemented by China and the US as well as the US presidential election, the unilateralism prevails in the US and it frequently takes unfair trade protectionism measures against Chinese enterprises. Along with the worldwide outbreak of the epidemic, the trend of anti-globalisation is becoming more obvious. 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.

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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 increasing 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.

COVID-19 related risks: Early in 2020, the world was faced with a more severe and complex economic situation as COVID-19 had swept the globe. Although COVID-19 was effectively contained in China for now, it further spread in other countries and regions, and the development in other countries was subject to high uncertainty, all of which had a more complex impact on China's economy. In response to the current severe situation faced by the Group in such a special period, the Group has adopted a series of key measures, such as establishing a "Special Period Decision-making Committee", further enhancing the awareness of risk management and control, and implementing the management and control measures.

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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 + Financing”

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 + Financing”, 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, fire safety and automated logistics 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, and the road transportation vehicles, energy and chemical equipment and offshore engineering businesses also established 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.

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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 "layer management", the Group has established a three-tier management model comprising the executive committee, the special committee 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.

Lean Manufacturing Management Capabilities

With the accumulation of large-scale, serialised and standardised management experience and capabilities in the area of container production and 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.

Ability to Integrated Resources and Achieve Collaborative Development

In several business segments such as road transportation vehicles, energy, chemical and liquid food equipment and airport facilities, fire safety and automated logistics equipment business, 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 collaborative development. 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 of technologies and accelerating R&D 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 the 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 a national-level 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 competitive advantages in the industry, the Group is implementing technology innovation and upgrade projects such as "Longteng (龍騰), Super Magalhaes (超級麥哲倫) and Dream Six (夢六)" 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 230 patents, 96 of which are invention patents. In doing so, the Group is well-positioned to capitalise on its strong R&D and intellectual property rights protection capabilities to convert its leading technologies into customers' 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

	January to June 2020 (unaudited)	January to June 2019 (unaudited)	Change (%)	Reasons for the change
Credit losses	92,273	50,798	81.65%	mainly due to long-term receivables (including current portion of non-current assets) and accounts receivables recognized for the current period
Investment income	118,283	89,208	32.59%	mainly due to increase in investment income from long-term equity investment under equity method and investment income from disposal of long-term equity investment recognized for the current period as compared to the same period of the previous year
Profit from changes in the fair value	(337,487)	(203,183)	(66.10%)	mainly due to changes in the fair value of investments in equity instrument held for trading and derivatives for the current period
Gains on disposals of assets	109,946	54,818	100.57%	mainly due to increase in gains on disposals of fixed assets and intangible assets recognized for the current period as compared to the same period of the previous year

Material change in profit composition or profit source of the Company during the Reporting Period

Applicable Not applicable

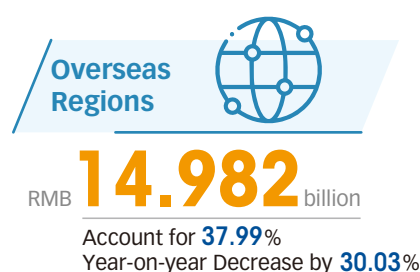
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2. Composition of Principal Businesses during the Reporting Period

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	8,448,783	7,585,176	10.22%	(25.45%)	(27.46%)	2.50%
Road transportation vehicles	11,190,519	9,773,123	12.67%	(11.98%)	(10.75%)	(1.20%)
Energy, chemical and liquid food equipment	5,797,777	4,965,399	14.36%	(19.27%)	(17.20%)	(2.13%)
Offshore engineering	2,527,837	2,519,805	0.32%	49.84%	48.18%	1.11%
Airport facilities, fire safety and automated logistics equipment	2,190,809	1,714,349	21.75%	(6.91%)	(9.37%)	2.12%
Heavy trucks	880,921	901,075	(2.29%)	(20.74%)	(14.84%)	(7.09%)
Logistics services	4,451,534	4,154,649	6.67%	3.28%	5.70%	(2.14%)
Industrial city development	1,262,133	784,593	37.84%	124.06%	239.89%	(21.18%)
Finance and asset management	1,134,684	829,340	26.91%	20.67%	28.79%	(4.60%)
Unit load	1,286,512	1,150,945	10.54%	–	–	–
Others	1,470,735	1,273,017	13.44%	(22.68%)	(22.82%)	0.16%
Elimination between segments	(1,210,437)	(1,285,239)	(6.18%)	12.17%	(17.74%)	7.20%
Total	39,431,807	34,366,232	12.85%	(7.69%)	(6.99%)	(0.66%)
By region (by receiver)						
China	24,450,132	–	–	14.76%	–	–
America	4,795,277	–	–	(47.72%)	–	–
Europe	6,394,783	–	–	(16.18%)	–	–
Asia (regions excluding China)	3,253,159	–	–	(9.56%)	–	–
Others	538,456	–	–	(46.89%)	–	–
Total	39,431,807	–	–	(7.69%)	–	–

Composition of Revenue (by location)



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(III) Analysis of Non-Principal Businesses

√ Applicable □ Not applicable

Unit: RMB thousand

Item	Amount	Percentage in total profit	Explanation on the formation	Sustainable or not
Credit losses	92,273	14.39%	mainly due to long-term receivables (including current portion of non-current assets) and accounts receivables recognized for the current period	No
Investment income	118,283	18.44%	mainly due to increase in investment income from long-term equity investment under equity method and investment income from disposal of long-term equity investment recognized for the current period as compared to the same period of the previous year	No
Profit from changes in the fair value	(337,487)	(52.62%)	mainly due to changes in the fair value of investments in equity instrument held for trading and derivatives for the current period	No
Gains on disposals of assets	109,946	17.14%	mainly due to increase in gains on disposals of fixed assets and intangible assets recognized for the current period as compared to the same period of the previous year	No

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(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		
Derivative financial assets	66,477	0.04%	100,980	0.06%	(34.17%)	mainly due to changes in the fair value of derivative financial instruments
Other non-current financial assets	12	0.00%	74,445	0.04%	(99.98%)	mainly due to changes in the fair value of derivative financial instruments
Investment properties	7,016,158	3.97%	2,769,715	1.61%	153.32%	mainly due to partial projects of CIMC Industry & City, a subsidiary of the Group, were transferred from inventory to investment property according to the purpose of which they are held
Derivative financial liabilities	537,395	0.30%	352,167	0.20%	52.60%	mainly due to changes in the fair value of derivative financial instruments
Current portion of non-current liabilities	4,476,850	2.53%	9,616,415	5.59%	(53.45%)	mainly due to current portion of non-current liabilities due for repayment
Other current liabilities	2,138,596	1.21%	4,106	0.00%	51984.66%	mainly due to the issuance of commercial notes by CIMC Hong Kong, a subsidiary of the Group, for the current period
Other non-current liabilities	2,237,794	1.26%	1,383,021	0.80%	61.80%	mainly due to the issuance of private placement notes (PPN) by CIMC Industry & City, a subsidiary of the Group

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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	415,503	(63,398)	-	-	358,355
2. Derivative financial assets and other non-current financial assets	175,425	(89,165)	-	-	66,489
3. Investments in other equity instruments	1,373,385	-	342,430	-	1,229,197
4. Receivables financing	1,236,504	-	2,287	-	1,356,435
5. Other debt investments	31,272	-	-	-	-
Sub-total of financial assets	3,232,089	(152,563)	344,717	-	3,010,476
Investment properties	2,769,715	304	-	-	7,016,158
Total of the above	6,001,804	(152,259)	344,717	-	10,026,634
Financial liabilities	(403,706)	(185,228)	-	-	(570,845)
Total	5,598,098	(337,487)	344,717	-	9,455,789

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 XI 2020 Interim Financial Report (Unaudited)" in this Report.

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(2) Derivatives Investments

√ Applicable □ Not applicable

Unit: RMB thousand

Name of 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	Purchases during the Reporting Period	Sales 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 Reporting 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 contracts	-	2019/7/8	2022/4/20	10,675,492	-	-	-	14,673,739	36.28%	(68,688)
HSBC	Nil	No	Foreign exchange option contracts	-	2020/2/14	2021/3/17	42,886	-	-	-	15,904	0.04%	(60)
Standard Chartered, Deutsche Bank and other banks	Nil	No	Interest rate swap contracts	-	2016/7/5	2021/6/28	14,023,609	-	-	-	14,512,975	35.88%	(205,650)
Hicend Futures Co., Ltd.	Nil	No	Steel futures contracts	-	2020/6/15	2020/10/15	-	-	-	-	427	0.00%	5
Total				-			24,741,987	-	-	-	29,203,045	72.20%	(274,393)

Source of funds for derivatives investments Self-owned funds

Litigation case (if applicable) Not applicable

Disclosure date of announcement in relation to the consideration and approval of derivatives investment at a Board meeting (if any) Nil

Disclosure date of announcement in relation to the consideration and approval of derivatives investment at a shareholders' general meeting (if any) Nil

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

As at 30 June 2020, the derivative financial instruments held by the Group were mainly foreign exchange forward contracts, interest rate swap contracts, foreign exchange option contracts and futures 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 and normative 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 2020, the Group's profit or loss arising from changes in fair values of the derivative financial instruments was RMB(274.393) million. Fair values of the derivative financial instruments of the Group were determined based on market prices of external financial institutions.

Explanations on 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 carried out derivative-focused hedging business for the purpose of the day-to-day international business operations of the Company in order to smooth or lower the uncertainty impact on the operations of the Company due to the changes in exchange rates and interest rates and the fluctuations in spot prices of raw materials 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 derivative-focused hedging business 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 of the Company, in particular, the minority shareholders.

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(VI) 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 overall production and operation and performance
Shen Xing Tai Bao	Acquisition	No significant impact for the current period
Suzhou Liangcai	Acquisition	No significant impact for the current period
Lindenau Full Tank Service Gmbh	Acquisition	No significant impact for the current period
Mcmillan (Coppersmiths & Fabricators) Ltd	Acquisition	No significant impact for the current period

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 details of operations of principal holding subsidiaries of the Group during the Reporting Period. For details of the subsidiaries of the Group which were newly incorporated and no longer incorporated into the scope of combination during the Reporting Period, please refer to note V to “Chapter XI 2020 Interim Financial Report (Unaudited)” in this Report.

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Subsidiaries or associates contributing 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 revenue during the Reporting Period	Operating profit during the Reporting Period	Net profit during the Reporting Period
CIMC Enric (note)	Subsidiary	Energy, chemical and liquid food equipment business	18,371	15,758,966	7,237,044	5,319,352	287,778	205,230
CIMC Vehicles (note)	Subsidiary	Mainly manufacturing and sales of semitrailers and truck bodies for specialty vehicles	1,765,000	20,850,527	10,013,034	11,154,962	781,984	696,605
CIMC TianDa (note)	Subsidiary	Airport facilities equipment business, fire and rescue vehicle business, automated logistics system business and smart parking business	139,050	9,217,025	3,517,637	2,173,183	123,666	79,598

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 2020 interim results announcements respectively.

(VII) Structured Body Controlled by the Company

 Applicable Not applicable

(VIII) Forecast on the Operating Results for the Period from January to September 2020

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

Chapter IV Operation Discussion and Analysis Prepared in Accordance with the Domestic Securities Regulatory Rules

(IX) Risk Exposures of the Company and Responsive Initiatives

Please refer to the relevant information contained in sections “4. Major 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 details of risk exposures of the Company and responsive initiatives.

(X) 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
27 March 2020	Office of the Company	Tele conference	Institutional investor	Southwest Securities and its customers	2019 annual results
27 March 2020	Office of the Company	Online webcasting	Institutional Investor and individual investor	Online institutions and individual investors	Same as above
23 April 2020	Office of the Company	Tele conference	Institutional investor	Wuhan Chengyeliantou Investment (武漢成業聯投投資)	Principal business performance, investment progress, recent industrial development performance and industry outlook
23 June 2020	Office of the Company	Tele conference	Institutional investor	China Merchants Securities, TF Securities and Southern Asset Management	Same as above

Chapter V Management Discussion and Analysis Prepared in Accordance with Hong Kong Securities Rules

The following contents are the financial resource review prepared in accordance with relevant requirements of the Hong Kong Listing Rules. The following discussion and analysis shall be read together with other chapters and the 2020 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 XI 2020 Interim Financial Report (Unaudited)” in this Report.

CONSOLIDATED OPERATING RESULTS

During the Reporting Period, the Group recorded revenue of RMB39,431.807 million (same period in 2019: RMB42,717.729 million), representing a year-on-year decrease of 7.69%, and net loss attributable to shareholders and other equity holders of the parent company of RMB182.797 million (same period in 2019: net profit of RMB679.829 million), representing a year-on-year decrease of 126.89%. 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 XI 2020 Interim Financial Report (Unaudited)” in this Report.

GROSS PROFIT MARGIN AND PROFITABILITY

During the Reporting Period, the gross profit margin of the Group was 12.85% (same period in 2019: 13.51%), representing a year-on-year decrease of 0.66%. Among the principal businesses, the gross profit margin of the container manufacturing business, offshore engineering equipment business and airport facilities, fire safety and automated logistics equipment business increased, the gross profit margin of the industrial city development 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 “Chapter 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 RMB83.485 million (same period in 2019: RMB165.859 million), representing a year-on-year decrease of 49.67%, which were mainly due to the relocation compensation received for the same period of the previous year. For details, please refer to note IV. 65 of “Chapter XI 2020 Interim Financial Report (Unaudited)” in this Report.

RESEARCH AND DEVELOPMENT EXPENSES

During the Reporting Period, the research and development expenses of the Group were RMB589.085 million (same period in 2019: RMB537.657 million), representing a year-on-year increase of 9.57%, which were mainly due to the increase in research and development investment during the period. For details, please refer to note IV. 56 of “Chapter XI 2020 Interim Financial Report (Unaudited)” in this Report.

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SALES EXPENSES

During the Reporting Period, the sales expenses of the Group were RMB931.718 million (same period in 2019: RMB952.981 million), representing a year-on-year decrease of 2.23%. For details, please refer to note IV. 54 of “Chapter XI 2020 Interim Financial Report (Unaudited)” in this Report.

FINANCIAL EXPENSES

During the Reporting Period, the financial expenses of the Group were RMB674.273 million (same period in 2019: RMB561.019 million), representing a year-on-year increase of 20.19%, which were mainly due to more interest income received for the same period of the previous year. For details, please refer to note IV. 57 of “Chapter XI 2020 Interim Financial Report (Unaudited)” in this Report.

GENERAL AND ADMINISTRATIVE EXPENSES

During the Reporting Period, the general and administrative expenses of the Group were RMB2,080.199 million (same period in 2019: RMB2,189.191 million), representing a year-on-year decrease 4.98%. For details, please refer to note IV. 55 of “Chapter XI 2020 Interim Financial Report (Unaudited)” in this Report.

INCOME TAX EXPENSE

During the Reporting Period, the income tax expenses of the Group were RMB399.132 million (same period in 2019: RMB537.936 million), representing a year-on-year decrease of 25.80%. For details, please refer to note IV. 67 of “Chapter XI 2020 Interim Financial Report (Unaudited)” in this Report.

MINORITY PROFIT OR LOSS

During the Reporting Period, the minority profit or loss of the Group was RMB425.015 million (same period in 2019: RMB422.391 million), representing a year-on-year increase of 0.62%.

LIQUIDITY AND FINANCIAL RESOURCES

The Group’s cash at bank and on hand primarily consist of cash and bank deposits. As at 30 June 2020, the Group’s cash at bank and on hand amounted to RMB12,571.219 million (31 December 2019: RMB9,714.792 million), representing a increase of 29.40% as compared with the end of the previous year. For details, please refer to note IV. 1 of “Chapter XI 2020 Interim Financial Report (Unaudited)” in this Report. The Group’s funds mainly consist of funds from operations, 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 due bank loans and ensure the business development.

During the Reporting Period, the Group recorded net cash flows from operating activities of RMB2,242.911 million (same period in 2019: RMB(2,102.412) million), net cash flows from investing activities of RMB(885.872) million (same period in 2019: RMB(3,125.255) million) and net cash flows from financing activities of RMB561.330 million (same period in 2019: RMB427.099 million). As at the end of the Reporting Period, the balance of cash and cash equivalent held by the Group was RMB10,535.347 million (same period in 2019: RMB5,366.704 million) and the main currencies were RMB and US dollar.

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BANK LOANS AND OTHER BORROWINGS

As at 30 June 2020, the Group's short-term borrowings, non-current borrowings due within one year, long-term borrowings, debentures payable, other current liabilities (issuance of commercial notes) and other non-current liabilities (other financial products) in aggregate amounted to RMB67,993.168 million (31 December 2019: RMB67,083.777 million).

Unit: RMB thousand

	As at 30 June 2020 (unaudited)	As at 31 December 2019 (audited)
Short-term borrowings	17,939,019	17,557,197
Non-current borrowings due within one year	4,337,493	9,407,614
Long-term borrowings	33,513,835	30,918,302
Debentures payable	8,009,047	8,014,049
Other current liabilities (commercial notes)	2,123,777	–
Other non-current liabilities (other financial products)	2,069,997	1,186,615
Total	67,993,168	67,083,777

The Group's bank borrowings are mainly denominated in US dollars, with the interest payments computed using fixed rates and floating rates. As at 30 June 2020, the Group's long-term interest-bearing debts are mainly RMB-denominated floating rate contracts amounted to RMB21,452,107,000 (31 December 2019: RMB20,626,847,000). The interest rate range of the Group's short-term borrowings is 0.80% to 6.31% (31 December 2019: 1.40% to 6.31%), and the interest rate range of long-term borrowings is 1.20% to 6.87% (31 December 2019: 1.20% to 6.87%). As at the end of the Reporting Period, the Group's fixed-rate bank borrowings amounted to approximately RMB24,406.533 million (31 December 2019: approximately RMB22,444.195 million). The long-term borrowings are mainly matured within five 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.

The Group's issued debentures are mainly denominated in RMB, with the interest payments computed using fixed rates. As at 30 June 2020, the outstanding balance of fixed-rate debentures issued by the Group amounted to RMB8,009.047 million (31 December 2019: RMB8,014.049 million), the maturity dates of debentures are mainly distributed in one to three years. For details, please refer to note IV. 30, IV. 39, IV. 40, IV. 41, IV. 42 and XIV. 3 of "Chapter XI 2020 Interim Financial Report (Unaudited)" in this Report.

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OTHER EQUITY INSTRUMENTS

For details, please refer to note IV. 47 of “Chapter XI 2020 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 2020, the Group’s equity interest attributable to shareholders amounted to RMB56,078.331 million (31 December 2019: RMB55,037.978 million) in aggregate, total liabilities amounted to RMB120,869.321 million (31 December 2019: RMB117,069.543 million) and total assets amounted to RMB176,947.652 million (31 December 2019: RMB172,107.521 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 of the Company.

As at the end of the Reporting Period, the Group’s gearing ratio was 68.31% (31 December 2019: 68.02%), which increased by 0.29% 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. The Group utilizes financial derivative instruments to guard against foreign exchange risks. For details of foreign exchange risk and relevant hedging contracts held by the Group during the Reporting Period, please refer to note IV. 3, IV. 16, IV. 45 and XIV. 4 of “Chapter XI 2020 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 are mainly attributable to 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, and 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 market conditions at the time. As at 30 June 2020, the Group’s long-term interest-bearing debts are mainly comprised of contracts of floating interest rate denominated in RMB amounting to RMB21,452.107 million (31 December 2019: RMB20,626.847 million).

As at 30 June 2020, if the interest rates of borrowings with floating interest rates increased or decreased by 50 basis points with all other factors keeping the same as previously, the Group’s net profit will decrease or increase by RMB80.445 million (31 December 2019: RMB77.351 million). For details, please refer to note XIV. 3 of “Chapter XI 2020 Interim Financial Report (Unaudited)” in this report.

CREDIT RISK

The Group’s exposures to credit risk are mainly attributable to cash at bank and on hand, accounts receivable 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 of “Chapter XI 2020 Interim Financial Report (Unaudited)” in this Report.

PLEDGE OF ASSETS

As at 30 June 2020, the restricted assets of the Group totally amounted to RMB18,837.699 million (31 December 2019: RMB18,543.985 million), representing an increase of 1.58% as compared with the end of the previous year. For details, please refer to note IV. 29 of “Chapter XI 2020 Interim Financial Report (Unaudited)” in this Report.

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CAPITAL COMMITMENTS

As at 30 June 2020, the Group had capital expenditure commitments of approximately RMB163.107 million (31 December 2019: approximately RMB340.141 million), representing a decrease of 52.05% as compared with the end of the previous year, which were mainly fixed assets purchase contracts which have been entered into but not performed or performed partially and completion of construction of vessels for sale or rent purpose. For details, please refer to note XI. 1. (1) of "Chapter XI 2020 Interim Financial Report (Unaudited)" in this Report.

CONTINGENT LIABILITY

As at 30 June 2020, the Group had no contingent liabilities (31 December 2019: 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 XI 2020 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 continue to 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 2020 was approximately RMB4,200 million, among which approximately RMB1,660 million was actually occurred in the first half of this year, which was mainly used for capital contribution to subsidiaries, 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 FROM GLOBAL OFFERING OF CIMC VEHICLES

Since July 11, 2019 (the "Listing Date"), the H Shares of CIMC Vehicles have been listed and traded on the Stock Exchange. The offer price has been determined at HK\$6.38 per offer share (exclusive of brokerage of 1.0%, transaction levy of the Securities and Futures Commission of Hong Kong of 0.0027% and Stock Exchange trading fee of 0.005%). CIMC Vehicles has issued a total of 265,000,000 H shares in the global offering. After deducting the underwriting fees and expenses on the global offering, the net proceeds from the global offering is approximately HK\$1,575.2 million and net price per H share is approximately HK\$5.9. The nominal value of the H shares of CIMC Vehicles is RMB1.00 per share.

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On 5 December 2019, the board of directors of CIMC Vehicles resolved to change the use of the net proceeds. For relevant information, please refer to the announcement on change in use of the net proceeds from the global offering published by CIMC Vehicles on the same date and further announcement dated 25 March 2020.

The use of the net proceeds from the global offering and its utilization as of 30 June 2020, which are intended to be utilized in the next five years after the Listing Date of H shares, are as follows:

Intended Use of Net Proceeds	Intended Amount (HK\$ in millions)	Utilized Amount as of 30 June 2020 (HK\$ in millions)	Unutilized Amount as of 30 June 2020 (HK\$ in millions)
Develop new manufacturing or assembly plants and upgrade the marketing model	1,102.7	78.2	1,024.5
– Develop a new automated production facility for chassis trailers in the coastline regions along the eastern or southern US	220.5	0	220.5
– Develop a new assembly plant for high-end refrigerated trailers in the UK or Poland	220.5	0	220.5
– Develop a new automated production facility for refrigerated trailers in Monon, the US	165.4	78.2	87.2
– Develop a new assembly plant for curtain-side trailers in the Midlands region of the UK	165.4	0	165.4
– Develop a new assembly plant for swap bodies and chassis and flatbed trailers in the Netherlands	105.3	0	105.3
– Develop a new assembly plant for refrigerated trailers in Canada	39.0	0	39.0
– Develop a new manufacturing plant in Jiangmen, China	87.0	0	87.0
– Upgrade the marketing model in China	99.6	0	99.6
Research and develop new products	157.5	0	157.5
– Develop high-end refrigerated trailers	63.0	0	63.0
– Develop other smart trailers	31.5	0	31.5
– Invest in product standardization, unit weight reduction and modularization in Europe and US plants	31.5	0	31.5
– Develop other trailer products	31.5	0	31.5
Repay the principal amount and interests of bank borrowings	157.5	153.8	3.7
Working capital and general corporate purposes	157.5	151.5	6.0
Total	1,575.2	383.5	1,191.7

Chapter V Management Discussion and Analysis Prepared in Accordance with Hong Kong Securities Rules

EMPLOYEES, TRAINING AND SHARE OPTION INCENTIVE SCHEMES

As at 30 June 2020, the Group had approximately 51,155 employees in total (30 June 2019: approximately 50,865 employees) 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 RMB3,964.434 million (same period in 2019: RMB4,016.322 million), representing a year-on-year decrease of 1.29%.

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 the 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 2020 shall be distributed, no bonus share shall be issued, and no share shall be converted from reserves into share capital (same period in 2019: 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 2019 Social Responsibility & Environmental, Social and Governance Report on the website of the Hong Kong Stock Exchange on 26 March 2020. In the future, the Group will continue to deepen industrial transformation and upgrade, pay 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 "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 2019 Annual Report of the Company.

Chapter VI Significant Events

I. COMPANY GOVERNANCE AND CORPORATE GOVERNANCE

(I) Company Governance

In response to enormous challenges and uncertainties posed by the COVID-19 pandemic, the Company established a special period decision-making committee to require organizations at all levels to prioritize the management and control of operation risks, especially the prevention of systematic financial risks and industry chain and fund chain risks arising from the economic downturn.

During the Reporting Period, according to the amendment requirements of the Guidelines for Standardized Operation of Listed Companies on Shenzhen Stock Exchange (Revised in 2020), the Group facilitated publicizing, leaning and benchmarking improvement of the organizations at all levels; further clarified the decision-making mechanism of the significant events during the special period, regulated the management and control requirements and follow-up mechanism on operational activities, investment activities, funds, debt, etc. during the special period; aligned with the business pain points, and attempted to enhance early warning on operation risks in the organizations through the utilization of digital risk management approach and risk control modeling; carried out checking during the special period, inspected and implemented management and control requirements of the Group during the special period; enhanced synergies among relevant functional departments in the headquarter, collected, sorted out and thoroughly implemented various domestic and overseas preferential policies to accelerate the process of expenses and fees reduction in companies. In the second half of 2020, the Group will further strengthen significant risks management and control, promote special risks governance with businesses, actively minimize significant business risks and continuously improve the overall compliance with the aim of achieving stable operations and healthy development 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, Information Disclosure Management System of China International Marine Containers (Group) Co., Ltd., Insider Registration and Management System of China International Marine Containers (Group) Co., Ltd. and the Rules of Procedures for the General Meeting.

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 (including the new code provisions in relation to internal control and risk management) during the Reporting Period, except for slight deviation from the code provisions A.1.1. The latest corporate governance report of the Company was set out in the 2019 Social Responsibility & Environmental, Social and Governance Report. Deviations during the Reporting Period have been disclosed in relevant paragraphs below.

(1) *The Board*

The Board was elected by general meeting of the Company and is responsible for general meeting of the Company, of which fundamental responsibilities are to strategically guide the Company and effectively supervise the management to ensure in compliance with the interests of the Company and be responsible for the shareholders of the Company. Upon the consideration and approval at the eighth meeting of the ninth session of the Board in 2020, the Company amended "Insider Registration and Management System of China International Marine Containers (Group) Co., Ltd." and "Information Disclosure Management System of China International Marine Containers (Group) Co., Ltd." on 6 July 2020, 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 6 July 2020.

During the Reporting Period, the ninth session of the Board, comprising 8 Directors, held 7 Board meetings, of which 1 meeting was held on-site, 6 meetings were held in a way of written review resolutions with 41 resolutions being reviewed.

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

(2) *Board Committees*

During the Reporting Period, a total of 6 meetings were held by the committees of the Board with 12 letters of opinion from Board Committees passed.

Chapter VI Significant Events

(3) *The Supervisory Committee*

During the Reporting Period, there are three Supervisors at the ninth session of the Supervisory Committee, and four meetings of the ninth session of the Supervisory Committee were held, with nine resolutions reviewed. The Supervisors attended seven meetings of the Board on a non-voting basis. XIONG Bo, a Supervisor, attended the annual general meeting for 2019, and the first A/H shareholders' class meeting for 2020.

(4) *Shareholders' General Meeting*

On 1 June 2020, the Company held the annual general meeting for 2019, the first A shareholders' class meeting for 2020 and the first H shareholders' class meeting for 2020. The notice, convening, holding and voting procedures of such meetings were in compliance with the relevant requirements of the PRC Company Law, the Articles of Association and the Hong Kong Listing Rules. Upon consideration and approval at the annual general meeting for 2019, the Company has amended the Rules of Procedures for the General Meeting. The full text of the amended Rules of Procedures for the General Meeting 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 1 June 2020.

The non-executive Director of the ninth session of the Board, Mr. WANG Hong, and the executive Director, CEO and president of the Company, Mr. MAI Boliang, the independent non-executive Directors Mr. HE Jiale, Mr. PAN Zhengqi and Ms. LUI FUNG Mei Yee, Mabel and Mr. XIONG Bo, a Supervisor, attended the annual general meeting for 2019, the first A shareholders' class meeting for 2020 and the first H shareholders' class meeting for 2020. The non-executive Directors of the ninth session of the Board, Mr. LIU Chong (Vice-chairman), Mr. HU Xianfu and Mr. MING Dong failed to attend relevant meetings due to other important affairs at relevant time.

(5) *Amendment to the Articles of Association*

On 1 June 2020, as considered and approved at the annual general meeting for 2019, the Company 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 1 June 2020.

(6) *Updates regarding to Deviations from Code Provisions as set out in the 2019 Annual Report of the Group*

Code provision A.1.1 under the Corporate Governance Code 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 regular board meetings will normally involve the active participation, either in person or through electronic means of communication, of a majority of directors entitled to be present". During the Reporting Period, the Company held seven board meetings, of which only one 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 matters 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 future.

Chapter VI Significant Events

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 contained in Appendix 10 of the Hong Kong Listing Rules as the code of conduct in dealing in securities by Directors and Supervisors of the Company. After inquiries to all the Directors and Supervisors, they confirmed that they had fully complied with the required standards in the Model Code during the Reporting Period.

3. Audit Committee

The Board 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 consist of 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, Mabel.

On 27 August 2020, the Audit Committee has discussed with the management and reviewed the 2020 Interim Financial Report (Unaudited) of the Group for the six months ended 30 June 2020. The Audit Committee has no disagreement with the accounting treatment adopted in the 2020 Interim Financial Report (Unaudited) of the Company and agreed to present the same to the Board.

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 IX 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
2019 annual general meeting	Annual general meeting	24.4327%	1 June 2020	16 April 2020	1 June 2020	
First A shareholders' class meeting in 2020	Annual general meeting	35.4409%	1 June 2020	16 April 2020	1 June 2020	www.cninfo.com.cn www.hkexnews.hk
First H shareholders' class meeting in 2020	Annual general meeting	16.2767%	1 June 2020	16 April 2020	1 June 2020	

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 2020 (same period in 2019: Nil).

Implementation of Profit Distribution of the Company during the Reporting Period

During the Reporting Period, the proposed profit distribution plan for 2019 was passed at the 2019 annual general meeting, the first A shareholders' class meeting in 2020 and the first H shareholders' class meeting in 2020 of the Company on 1 June 2020 in accordance with the relevant requirements of the Articles of Association: the Company to pay a cash dividend of RMB0.12 (inclusive of tax) for every share, no bonus shares will be issued and no capital reserves will be converted into share capital, which is calculated based on the total share capital of the Company as at the book closure date of dividend distribution for 2019 (the annual dividend distribution plan for 2018: 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 reserves). The Company completed the payment of the final dividend for 2019 on 24 June 2020, and the dividend paid by the Company was RMB430.348 million.

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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					

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V. ENGAGEMENT AND DISENGAGEMENT OF FIRMS OF ACCOUNTANTS

Whether the interim financial report has been audited or not

Yes No

The 2020 Interim Financial Report has not been audited.

On 1 June 2020, as considered and approved at the 2019 annual general meeting, the Company appointed PricewaterhouseCoopers Zhong Tian LLP as the auditor of the Company for 2020.

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

During the Reporting Period, a first-instance judgment was made on the equity transfer disputes between CIMC Enric Investment Holdings (Shenzhen) Ltd.* (中集安瑞科投資控股(深圳)有限公司) (“Enric Shenzhen”), a subsidiary of the Company, and SOEG PTE LTD (“SOEG”). Enric Shenzhen has been given a favourable first-instance judgment in the case regarding the equity transfer disputes with SOEG. In August 2020, Enric Shenzhen received the SOEG petition served by the Nantong Intermediate People’s Court of Jiangsu Province* (江蘇省南通市中級人民法院), and the case will then be transferred to the Jiangsu Province High People’s Court for second instance. For more details, please refer to the relevant announcements published on Cninfo website (www.cninfo.com.cn) on 15 June 2020 and 12 August 2020.

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.

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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 24 June 2020, upon the consideration and approval at the seventh meeting of the ninth session of the Board of the Company in 2020 and the implementation of the annual dividend distribution plan of the Company for 2019, the adjusted share option exercisable price for the First Tranche of Share Options and the Second Tranche of Share Options is RMB7.94/share and RMB12.55/share, respectively.

During the Reporting Period, the total exercisable share options of A Share(s) Share Option Incentive Scheme amounted to 1,570,420 share options, representing 2.68% of the total amount (adjusted), of which, a total of 1,570,420 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 (hereinafter referred to as the "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 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 Options"); 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 Options"). For details, please refer to the relevant announcements of CIMC Enric published on the website of the Hong Kong Stock Exchange.

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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 2020:

	Date of Grant	Number of underlying shares comprised in share options					Outstanding as at 30 June 2020	Exercise price per share HK\$	Exercise period
		Outstanding as at 1 January 2020	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	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	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	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
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
Zhang Xueqian	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
Employees of CIMC Enric	2011.10.28	14,002,000	-	(8,000)	-	-	13,994,000	2.48	2013.10.28-2021.10.27
	2014.06.05	26,770,000	-	-	-	(100,000)	26,670,000	11.24	2016.06.05-2024.06.04
Other participants	2011.10.28	1,654,000	-	(44,000)	-	-	1,610,000	2.48	2013.10.28-2021.10.27
	2014.06.05	4,730,000	-	-	-	(240,000)	4,490,000	11.24	2016.06.05-2024.06.04
Total	-	50,456,000	-	(52,000)	-	(340,000)	50,064,000	-	-

Notes: 1. For the share options granted on 28 October 2011: Subject to certain conditions as stated in the offer letter to the respective grantee, 40% of share options granted to any grantee become exercisable from 28 October 2013 and up to 27 October 2021; 30% of the share options become exercisable from 28 October 2014 and up to 27 October 2021; the remaining 30% of the share options become exercisable from 28 October 2015 and up to 27 October 2021. The exercise price of all the options granted is HK\$2.48 per share.

2. For the share options granted on 5 June 2014: Subject to certain conditions as stated in the offer letter to the respective grantee, 40% of share options granted to any grantee become exercisable from 5 June 2016 and up to 4 June 2024; 30% of the share options become exercisable from 5 June 2017 and up to 4 June 2024; the remaining 30% of the share options become exercisable from 5 June 2018 and up to 4 June 2024. The exercise price of all the options granted is HK\$11.24 per share.

3. The weighted average closing price of the shares immediately before the dates on which the options were exercised during the six months ended 30 June 2020 was HK\$4.68 per share.

At the annual general meeting of CIMC Enric held on 20 May 2016, an ordinary resolution was passed in relation to the adoption of a new share option scheme (the "New Scheme") and the termination of the Scheme. Upon termination of the Scheme, no further option may be granted under the Scheme, but in all other respects the provisions of the Scheme remain in full force and effect and options granted prior to such termination continue to be valid and exercisable in accordance with the provisions of the Scheme.

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No options have been granted under the New Scheme since its adoption.

As at the date of this report, a total of 193,660,608 options, representing approximately 9.63% of the issued ordinary share capital of CIMC Enric, are available for grant under the New Scheme.

As at the date of this report, a total of 243,724,608 shares, representing 12.12% of the issued ordinary share capital of CIMC Enric, are available for issue under the Scheme and New Scheme.

Saved as disclosed above, no options were granted, exercised, lapsed or cancelled by CIMC Enric for the six months ended 30 June 2020.

Restricted share 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 second vesting period have been met, a total of 102,000,000 restricted shares were vested in the directors of CIMC Enric during the period. As of 30 June 2020, a total of 2,040,000 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 2020	Vesting period
		As at 1 January 2020	Granted during the Reporting Period	Vested during the Reporting Period		
Gao Xiang	2018.8.24	700,000	–	300,000	400,000	2018.6.26–2022.6.25
Yang Xiaohu	2018.8.24	840,000	–	360,000	480,000	2018.6.26–2022.6.25
Yu Yuqun	2018.8.24	280,000	–	120,000	160,000	2018.6.26–2022.6.25
Wang Yu	2018.8.24	280,000	–	120,000	160,000	2018.6.26–2022.6.25
Zeng Han	2018.8.24	280,000	–	120,000	160,000	2018.6.26–2022.6.25
Total		2,380,000	–	1,020,000	1,360,000	

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2020 Share Award Scheme

CIMC Enric has adopted the 2020 Share Award Scheme (hereafter referred to as the “2020 Award Scheme”) on 3 April 2020. The purposes of the 2020 Award Scheme are: (a) to provide eligible participants with an opportunity to own shares in CIMC Enric thereby aligning the interests of the eligible participants with that of the shareholders; (b) to incentivise eligible participants to benefit from value enhancement through delivery of performance targets; and (c) to encourage and retain eligible participants to make contributions to the long-term and sustainable growth of CIMC Enric. The 2020 Award Scheme forms part of the overall incentive plan for the employees of CIMC Enric. The shares to be granted to participants under the 2020 Award Scheme shall be in lieu of part of the cash bonus awarded under the overall incentive plan.

Subject to any early termination of the 2020 Award Scheme in accordance with its rules, the 2020 Award Scheme shall be valid and effective for a period of 10 years commencing from its adoption date. The total number of shares which may be purchased or issued pursuant to the 2020 Award Scheme shall not in aggregate exceed 2% of the total number of issued shares of CIMC Enric as at the adoption date of the 2020 Award Scheme (namely, a maximum of 40,209,691 shares). The maximum number of shares which may be granted to a participant at any one time or in aggregate under the 2020 Award Scheme must not exceed 0.5% of the total number of issued shares of CIMC Enric as at the adoption date of the 2020 Award Scheme (namely, a maximum of 10,052,422 shares). Eligible participants may elect to participate in the 2020 Award Scheme on a voluntary basis at any time while the 2020 Award Scheme is valid and effective. Pursuant to the 2020 Award Scheme, the grant of shares to the participants shall be performance-based or in accordance with other assessments as stipulated in the scheme rules. No grant and no issue and allotment of shares shall be made by CIMC Enric, no payment shall be made and no instruction shall be given by CIMC Enric to the trustee to purchase shares under the 2020 Award Scheme where any director of CIMC Enric is in possession of inside information (as defined in the SFO) in relation to CIMC Enric or where dealings in the shares are prohibited under all applicable laws, rules and regulations including without limitation the Hong Kong Listing Rules and/or the SFO. The transfer of vested shares by the trustee to the relevant participants is not prohibited during such periods. The vesting of the grant shares is subject to the participant remaining as an eligible participant at all times after the date of the grant and on the vesting date. Any share held by the trustee on behalf of a participant pursuant to the scheme rules of the 2020 Award Scheme shall vest in such participant in accordance with the vesting condition(s) or vesting schedule as determined by the board of directors of CIMC Enric from time to time under the scheme rules of the 2020 Award Scheme. The trustee shall not exercise any voting rights in respect of any shares held under the trust. No instruction as to voting may be given by any participant to the trustee in respect of the grant shares prior to the vesting of such grant shares in the participant. During the Reporting period, no shares were granted under the 2020 Award Scheme.

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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 the "CIMC TianDa 2009 Share Option Scheme") on 29 May 2009. CIMC TianDa 2009 Share Option Scheme was expired on 28 May 2019. Upon the expiry, no further options may be granted under the CIMC TianDa 2009 Share Option Scheme but in all other respects the provisions under the CIMC TianDa 2009 Share Option Scheme shall remain in full force and effect to give effect to the exercise of any share options granted during the effective period of the scheme according to the terms thereto. The shareholders of CIMC TianDa adopted a new share option scheme (hereinafter referred to as the "CIMC TianDa New Share Option Scheme") on 11 December 2019. The CIMC TianDa New Share Option Scheme was adopted on 13 December 2019 following the fulfillment of its preconditions by CIMC TianDa. The total number of shares in respect of which share options may be granted under the CIMC TianDa New Share Option Scheme when aggregated with any shares subject to any other schemes did not exceed 1,561,436,548 shares. As of 30 June 2020, no share options were granted under the CIMC TianDa New Share Option Scheme since its adoption. Share options may be exercised at any time during the exercise period as determined by the board of directors of CIMC TianDa, but the exercise period of the options shall not exceed 10 years.

During the Reporting Period, no share options were granted, exercised, lapsed or cancelled by CIMC TianDa. As at 30 June 2020, the options of CIMC TianDa granted but not exercised are as follows:

	Number of options	Exercise price (HK\$)
CIMC TianDa 2009 Share Option Scheme		
Outstanding as at 1 January 2020 and 30 June 2020	115,625,000	0.42
Exercisable as at the end of the Reporting Period	115,625,000	0.42

As at 30 June 2020, details of the share options granted under the CIMC TianDa 2009 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 2020	Granted during the Reporting Period	Exercised during the Reporting Period	Outstanding as at 30 June 2020	Exercise price (HK\$)	Percentage of issued share capital of CIMC TianDa
Jiang Xiong	4,000,000	–	–	4,000,000	0.42	0.02%
Loke Yu	4,000,000	–	–	4,000,000	0.42	0.02%
Heng Ja Wei	4,000,000	–	–	4,000,000	0.42	0.02%
Ho Man	2,000,000	–	–	2,000,000	0.42	0.01%
Subtotal	14,000,000	–	–	14,000,000		0.07%
Other employees	101,625,000	–	–	101,625,000	0.42	0.63%
Total	115,625,000	–	–	115,625,000		0.70%

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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)	1,570,420
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)	18,493,028
Total equity granted and exercised at the end of the Reporting Period on a cumulative basis (shares)	40,494,205
Adjustments to grant price and exercise price during the Reporting Period and latest grant price and exercise price after such adjustments	<p>The initial exercise price for the First Tranche of Share Options was RMB10.22/share, which was adjusted to RMB7.94/share after implementation of the dividend distribution proposals for the years from 2010 to 2019.</p> <p>The initial exercise price for the Second Tranche of Share Options was RMB15.75/share, which was adjusted to RMB12.55/share after implementation of the dividend distribution proposals for the years from 2011 to 2019.</p>

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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)	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	0	0	3,420,000
Gao Xiang	Executive vice president	0	0	450,000
Li Yinhui	Vice president	0	0	900,000
Huang Tianhua	Vice president	0	0	0
Yu Yuqun	Vice president and secretary to the Board, company secretary	0	0	900,000
Zeng Han	Chief financial officer	0	0	346,500

3. Summary of the Employee Stock Ownership Scheme

The purpose of the employee stock ownership scheme is to establish a mechanism for benefit-sharing and restraint between enterprises and senior management teams, attract and retain core employees, boost the confidence of the capital market in the Company and ensure the long-term steady development of the Company. The Resolution Regarding the Fund Operation of Bonus Balance under the Profit Sharing Scheme was considered and passed at the 2019 annual general meeting of the Company on 1 June 2020. According to the Trust and Operation Scheme for Surplus Funds from the Profit Sharing Plan of CIMC (the "Scheme"), the fund for the Scheme comes from the bonus balance of profit sharing plan as of 31 December 2019, with the total scale not exceeding RMB343 million. The shares of the Scheme come from the H shares of the Company purchased in the secondary market through ways permitted by laws and administrative regulations. The Scheme is implemented in stages. The capital scale of the first phase of the Trust Plan under the Scheme is RMB200 million. The stage, time and amount for the subsequent transfer of the bonus balance of profit sharing plan to the Trust Plan shall be decided by the Board, and the purchase of H shares of the Company shall be completed within 6 months after the general meeting deliberates and approves the Scheme.

As of the end of the Reporting Period, the establishment of the first phase of the Trust Plan named "CITIC Trust • Zhong Cui Trust Project Phase 202001 (中信信託 • 中萃信託項目202001期)" was completed. The partnership under the first phase of the Trust Plan has not purchased the H shares 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
Wide Shine Development	Subsidiary of significant Shareholder	Sale of goods	Sale of goods	Regular commercial terms	-	21,390	-	-	-	-	-	-	-
HuanYu Dong Fang International Container (Ningbo) Co., Ltd.	Subsidiary of significant Shareholder	Sale of goods	Sale of goods	Regular commercial terms	-	18,926	-	-	-	-	-	-	-
Dong Fang International Container (Lianyungang) Co., Ltd.	Subsidiary of significant Shareholder	Sale of goods	Sale of goods	Regular commercial terms	-	6,527	-	-	-	-	-	-	-
Total					-	46,843	-	-	-	-	-	-	-

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 2020, the actual total amount of continuing connected transactions between the Group and COSCO SHIPPING Development Co., Ltd. was RMB6.527 million, which did not exceed the annual caps of RMB2,300 million for the year ended 31 December 2020 as agreed in the Framework Agreement for Sale of Goods between China International Marine Containers (Group) Co., Ltd. and COSCO SHIPPING Development Co., Ltd. (2020, 2021, 2022) entered into by both parties on 30 October 2019.

From the valid date to 30 June 2020, the actual total amount of continuing connected transactions between the Group and China Merchants Shekou did not exceed the aggregated amount agreed under the Framework Agreements on the Borrowing of Surplus Funds entered into by both parties on 30 October 2019 (for details, please refer to note 1).

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

Not applicable

Note 1: Total transaction amount from the valid date to 30 June 2020:

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From the valid date to 30 June 2020, the actual total transaction amount in continuing connected transactions between the Group and Merchants Shekou did not exceed the aggregated amount agreed under the Framework Agreements on the Borrowing of Surplus Funds:

	Within 12 months from the valid date RMB'000 Total annual caps as announced	From the valid date to 30 June 2020 RMB'000 Effective transaction amount
Provision of financial assistance:		
Leyi Real Estate to Merchants Shekou	1,400,000	282,666
Shangqi Real Estate to Merchants Shekou	1,200,000	1,149,242
Acceptance of financial assistance:		
Shangrong Real Estate to Jixing Development	2,300,000	1,519,000
Shangtai Real Estate to Jisheng Development	2,600,000	1,669,430

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. 17, note IV. 32, note IV. 34, note IV. 37 and note VIII. 5 of "Chapter XI 2020 Interim Financial Report (Unaudited)" in this Report.

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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.

(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.

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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	Actual amount of guarantee	Type of guarantee	Guarantee period	Fulfilled or not	Related Party guaranteed or not
Customers and dealers of CIMC Vehicles and its holding subsidiaries	26 March 2020	3,600,000	1 January 2020	1,243,828	Warrantice	1-2 years	No	No
Customers of Shenyang CIMC Industrial Park Investment Development Co., Ltd.	26 March 2020	150,000	1 January 2020	2,265	Warrantice	1-2 years	No	No
Customers of Shaanxi CIMC Vehicles Industrial Park Investment Development Co., Ltd.,	26 March 2020	100,000	1 January 2020	16,553	Warrantice	1-2 years	No	No
Customers and dealers of C&C Trucks and its controlling subsidiaries	26 March 2020	1,300,000	1 January 2020	984,357	Warrantice	1-2 years	No	No
Purchasers of commodity houses of CIMC Industry & City and its controlling subsidiaries	26 March 2020	3,500,000	1 January 2020	2,305,132	Warrantice	1-2 years	No	No
Customers of CIMC Raffles	26 March 2020	118,750	1 January 2020	60,979	Warrantice	1-2 years	No	No
Customers of CIMC Enric and its holding subsidiaries	26 March 2020	500,000	1 January 2020	20,000	Warrantice	1-2 years	No	No
Customers of CIMC Modern Logistics Development Co., Ltd. and its holding subsidiaries	26 March 2020	50,000	1 January 2020	0	Warrantice	1-2 years	No	No
Customers of CIMC Container Holding Co., Ltd. and its subsidiaries	26 March 2020	100,000	1 January 2020	0	Warrantice	1-2 years	No	No
Customers of CIMC Financial Leasing Company and its holding subsidiaries	26 March 2020	200,000	1 January 2020	0	Warrantice	1-2 years	No	No
Total external guarantee facilities approved during the Reporting Period (A1)		9,618,750		Total actual amount of external guarantees during the Reporting Period (A2)				1,359,557
Total external guarantee facilities approved at the end of the Reporting Period (A3)		9,618,750		Total actual balance of external guarantees at the end of the Reporting Period (A4)				4,633,114

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The Company's guarantees for subsidiaries

Name of guaranteed	Disclosure date of the announcement about the guarantee facilities	Guarantee facilities	Actual date	Actual amount of guarantee	Type of guarantee	Guarantee period	Fulfilled or not	Related Party guaranteed or not
Subsidiaries of CIMC	26 March 2020	18,111,250	1 January 2020	9,650,681	Warrantice	1-2 years	No	No
CIMC Fortune Holdings Limited	26 March 2020	40,000,000	1 January 2020	28,336,057	Warrantice	1-2 years	No	No
Total guarantee facilities for subsidiaries approved during the Reporting Period (B1)		58,111,250		Total actual amount of guarantees for subsidiaries during the Reporting Period (B2)				3,066,859
Total guarantee facilities for subsidiaries approved at the end of the Reporting Period (B3)		58,111,250		Total actual balance of guarantees for subsidiaries at the end of the Reporting Period (B4)				37,986,738

Subsidiaries' guarantees for subsidiaries

Name of guaranteed	Disclosure date of the announcement about the guarantee facilities	Guarantee facilities	Actual date	Actual amount of guarantee	Type of guarantee	Guarantee period	Fulfilled or not	Related Party guaranteed or not
Guarantee of one subsidiary for another	26 March 2020	17,270,000	1 January 2020	7,484,029	Warrantice	1-2 years	No	No
Total guarantee facilities for subsidiaries approved during the Reporting Period (C1)		17,270,000		Total actual guarantee amount for subsidiaries during the Reporting Period (C2)				2,558,023
Total guarantee facilities for subsidiaries approved at the end of the Reporting Period (C3)		17,270,000		Total actual guarantee balance for subsidiaries at the end of the Reporting Period (C4)				7,484,029

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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)	6,984,439
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)	50,103,881
% of total actual guarantee amount (A4+B4+C4) in net assets of the Company			123.87%
Of which:			
Guarantee balance 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)			39,304,945
Amount of total guarantee amount in excess of 50% of net assets of the Company (F)			1,544,219
Total amount of the above three guarantees (D+E+F)			40,849,164
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.

(2) Irregular External Guarantees

Applicable Not applicable

3. Entrusted Wealth Management

Applicable Not applicable

For relevant information on private security investment fund of the Company during the Reporting Period, please refer to note IV. 2 of "Chapter XI 2020 Interim Financial Report (Unaudited)" in this Report.

4. 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

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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 (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
Yangzhou Tonglee Reefer Container Co., Ltd. ("TLC")	Animal and vegetable oil	Indirect emission	1	Northwest gate of the factory area	0.48mg/L	Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T 31962-2015)	0.060	0.346	Not exceeded
		SS	1	Northwest gate of the factory area	28mg/L		1.100	8.640	Not exceeded
	Total nitrogen	1	Northwest gate of the factory area	17.8mg/L	0.700		1.512	Not exceeded	
	Ammonia nitrogen	1	Northwest gate of the factory area	15.7mg/L	0.570		1.296	Not exceeded	
	COD	1	Northwest gate of the factory area	118mg/L	5.700		12.960	Not exceeded	
	Total phosphorus	1	Northwest gate of the factory area	1.35mg/L	0.040		0.130	Not exceeded	
	VOCs	2	Northern part of the factory area	10.8mg/m ³	Emission Standard of VOCs from Industrial Enterprises in Tianjin City (DB12/524-2014)		0.060	36.745	Not exceeded
	Xylene	2	Northern part of the factory area	0.038mg/m ³			0.007	Not approved by regulators	Not exceeded
	Methylbenzene	2	Northern part of the factory area	0.029mg/m ³			0.007	Not approved by regulators	Not exceeded
	Benzene	2	Northern part of the factory area	0.009mg/m ³			0.001	Not approved by regulators	Not exceeded
	Particulate matter	4	Northern part of the factory area	5.02mg/m ³	Integrated Emission Standard of Air Pollutants GB16297-1996	1.040	7.315	Not exceeded	
	Nitric oxide	2	Northern part of the factory area	ND (not detected)		Jiangsu Provincial Emission Standard of Air	-	0.720	Not exceeded
	Sulfur dioxide	2	Northern part of the factory area	ND (not detected)		Pollutants for Industrial Kiln and Furnace	-	0.180	Not exceeded
	Ringelmann emittance	2	Northern part of the factory area	<Level 1	(Exposure Draft)	-	Not approved by regulators	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 (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
Yangzhou Runyang Logistics Equipments Co., Ltd. ("CIMC Runyang")	VOCs	Organised emission	11	South, north and middle of the workshop, the northeastern corner of the factory area	0.57mg/m ³	Implementation with reference to Emission Standard of VOCs from Industrial Enterprises in Tianjin City (DB12/524-2014)	0.259	79.124	Not exceeded
	Fume	Organised emission	1	East of the factory area	0.82mg/m ³	Emission Standard of Cooking Fume (Trial) (GB18483-2001)	0.003	0.0243	Not exceeded
	Ringelmann emittance	Organised emission	8	South, north and middle of the workshop	<Level 1	Jiangsu Provincial Emission Standard of Air Pollutants for Industrial Kiln and Furnace (Second Exposure Draft)	-	-	Not exceeded
	Sulfuretted hydrogen	Organised emission	1	Sewage treatment station in the south of the workshop	0.0543mg/m ³	Emission Standards for Odor Pollutants (GB14554-93)	0.0002	0.0004	Not exceeded
	Ammonia	Organised emission	1	Sewage treatment station in the south of the workshop	2.17mg/L		0.012	0.036	Not exceeded
	Nitric oxide	Organised emission	8	South, north and middle of the workshop	3.5mg/m ³	Integrated Emission Standard of Air Pollutants (GB16297-1996)	0.088	2.1732	Not exceeded
	Sulfur dioxide	Organised emission	8	South, north and middle of the workshop	ND (not detected)		-	0.4648	Not exceeded
	Xylene	Organised emission	3	South and north of the workshop, the hazardous waste warehouse in the northeastern corner of the factory area	0.12mg/m ³		0.048	1.0917	Not exceeded
	Methylbenzene	Organised emission	3	South and north of the workshop, the hazardous waste warehouse in the northeastern corner of the factory area	0.0345mg/m ³		0.025	7.4087	Not exceeded
	Benzene	Organised emission	2	South and north of the workshop	0.014mg/m ³		0.004	0.2726	Not exceeded
	Particulate matter	Organised emission	20	South, west, northern part of the middle of the workshop	24.7mg/m ³		14.410	48.9504	Not exceeded
	Total nitrogen	Sewage collection pipes	1	Southwestern corner of the company	4.94mg/L	Integrated Wastewater Discharge Standard (GB8978-1996) and Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015)	0.080	1.580	Not exceeded
	Animal and vegetable oil	Sewage collection pipes	1	Southwestern corner of the company	1.73mg/L		0.027	0.362	Not exceeded
	COD	Sewage collection pipes	1	Southwestern corner of the company	101.17mg/L		1.310	13.560	Not exceeded
	SS	Sewage collection pipes	1	Southwestern corner of the company	22.83mg/L		0.080	9.040	Not exceeded
	Ammonia nitrogen	Sewage collection pipes	1	Southwestern corner of the company	2.5mg/L		0.039	1.356	Not exceeded
Total phosphorus	Sewage collection pipes	1	Southwestern corner of the company	0.71mg/L		0.011	0.136	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 (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission	
Shenzhen Southern CIMC Eastern Logistics Equipment Manufacturing Co., Ltd. ("Southern CIMC Eastern Logistics")	Particulate matter	-	-	-	Discontinued	Emission Standard of Air Pollutants (GB16297)	Discontinued	Not approved by regulators	Not exceeded	
	VOCs	-	-	-	Discontinued		Discontinued	Not approved by regulators	Not exceeded	
Dongguan Southern CIMC Logistic Equipment Manufacturing Co., Ltd. ("Southern CIMC (Fenggang)")	SS	No external emission	-	-	4.5mg/L	Discharge Limits of Water Pollutants (DB44/26-2001), The Reuse of Urban Recycling Water - Water Quality Standard for Industrial Uses (GB/T19923-2005)	-	Not approved by regulators	Not exceeded	
	CODcr	No external emission	-	-	29.5mg/L		-	Not approved by regulators	Not exceeded	
	LAS	No external emission	-	-	0.12mg/L		-	Not approved by regulators	Not exceeded	
	BOD5	No external emission	-	-	9.65mg/L		-	Not approved by regulators	Not exceeded	
	Total hardness	No external emission	-	-	82mg/L		-	Not approved by regulators	Not exceeded	
	Ammonia nitrogen	No external emission	-	-	0.804mg/L		-	Not approved by regulators	Not exceeded	
	Phosphate	No external emission	-	-	0.035mg/L		-	Not approved by regulators	Not exceeded	
	Petroleum	No external emission	-	-	0.56mg/L		-	Not approved by regulators	Not exceeded	
	PH	No external emission	-	-	6.72 (dimensionless)		-	-	-	Not exceeded
	Chromaticity	No external emission	-	-	2 (dimensionless)		-	-	-	Not exceeded
	NOX	Organised emission	4	Northwest of the phase I workshop, southwest of the phase I workshop	ND (not detected)		Emission Limits of Air Pollutants (DB44/27-2001)	-	2.9568	Not exceeded
	SO2	Organised emission	4	Northwest of the phase I workshop, southwest of the phase I workshop	ND (not detected)			-	0.3024	Not exceeded
	Manganese and its compounds	Organised emission	4	Inside of the phase I workshop	0.14mg/m ³		0.051	Not approved by regulators	Not exceeded	
Particulate matter	Organised emission	12	Inside of the phase I workshop, northwest of the phase I workshop, northwest of the phase I workshop, southwest of the phase I workshop	6.91mg/m ³	9.670	17.9427	Not exceeded			
Ammonia	Organised emission	1	South of the phase I workshop	0.34mg/m ³	Emission Standards for Odor Pollutants (GB14554-93)	0.007	0.070	Not exceeded		
Odor concentration	Organised emission	1	South of the phase I workshop	1272 (dimensionless)		-	-	Not exceeded		
Sulfuretted hydrogen	Organised emission	1	South of the phase I workshop	0.06mg/m ³	0.001	0.0086	Not exceeded			
VOCs	Organised emission	5	Northwest of the phase I workshop, southwest of the phase I workshop, south of the phase I workshop	1.58mg/m ³	Emission Standard of Volatile Organic Compounds for Container Manufacturing (DB44/1837-2016)	1.739	21.59	Not exceeded		
Noise (boundary)	Boundary	-	Boundary	Daytime: 60.03dB(A) Night: 50.31dB(A)		Emission Standard for Industrial Enterprise Noise at Boundary (GB12348-2008)	-	-	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 (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
Qingdao CIMC Special Reefer Co., Ltd. ("QDCSR")	Odor (boundary)	Fugitive emission	-	Boundary	11 (dimensionless)	Emission Standards for Odor Pollutants GB14555-93	-	Not approved by regulators	Not exceeded
	VOCs (boundary)	Fugitive emission	-	Boundary	1.04mg/m ³	Emission Standard of Volatile Organic Compounds Part 5: Surface Coating Industry DB37-2801.5-2018	-	Not approved by regulators	Not exceeded
	Xylene	Organised emission	8	2 in the west of #1 workshop, 4 in the east of #2 workshop, 1 in the west of #3 workshop	0.61mg/m ³	5: Surface Coating Industry DB37-2801.5-2018	0.200	2.885	Not exceeded
	VOCs	Organised emission	8	2 in the west of #1 workshop, 4 in the east of #2 workshop, 1 in the west of #3 workshop	13mg/m ³		4.010	7.26	Not exceeded
	Xylene (boundary)	Fugitive emission	-	Boundary	0.16mg/m ³	Shandong Provincial Standard - Regional and Integrated Emission Standard of Air Pollutants (DB37 2376-2019)	-	-	Not exceeded
	Cyclopentane	Organised emission	7	4 in the east and 3 in the west of #2 workshop	6.05mg/m ³		0.490	2.600	Not exceeded
	Particulate matter	Organised emission	24	7 in the west of #1 workshop, 4 in the east of #1 workshop, 12 in the east of #2 workshop, 1 in the west of #3 workshop	2.3mg/m ³	Shandong Provincial Standard - Regional and Integrated Emission Standard of Air Pollutants (DB37 2376-2019)	1.500	4.747	Not exceeded
	Sulfur dioxide	Organised emission	6	2 in the west of #1 workshop, 1 in the east of #1 workshop, 3 in the east of #2 workshop	14.78mg/m ³		0.130	0.280	Not exceeded
	Nitric oxide	Organised emission	6	1 in the east of #1 workshop, 3 in the east of #2 workshop	86.5mg/m ³	0.780	2.464	Not exceeded	
	PH	Sewage collection pipes	1	North of the factory area	7.98 (dimensionless)	Wastewater Quality Standards for Discharge to Municipal Sewers (GBT31962-2015)	-	-	Not exceeded
	COD	Sewage collection pipes	1	North of the factory area	183.5mg/L		0.860	2.680	Not exceeded
	Ammonia nitrogen	Sewage collection pipes	1	North of the factory area	2.39mg/L	Emission Standard for Industrial Enterprise Noise at Boundary GB12348-2008	0.011	0.180	Not exceeded
	SS	Sewage collection pipes	1	North of the factory area	70.5mg/L		0.330	1.190	Not exceeded
	Noise (boundary)	Boundary	-	Boundary	Daytime: 56.5dB Night: 46.5dB	-	-	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 (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
Qingdao CIMC Reefer Container Manufacture Co., Ltd. ("QDCRC")	COD	Sewage collection pipes	2	1 in the west and 1 in the north of the factory area	274mg/L	Wastewater Quality Standards for Discharge to Municipal Sewers (GBT 31962-2015)	5.430	12.240	Not exceeded
	SS	Sewage collection pipes	2		125mg/L		3.370	6.120	Not exceeded
	Ammonia nitrogen	Sewage collection pipes	2		2.71mg/L		0.053	0.770	Not exceeded
	PH	Sewage collection pipes	2		7.76 (dimensionless)		-	-	Not exceeded
	VOCs (boundary)	Fugitive emission	-	Boundary	1.08mg/m ³	Emission Standard of Volatile Organic Compounds Part 5: Surface Coating Industry DB37-2801.5-2018	-	-	Not exceeded
	Xylene (boundary)	Fugitive emission	-	Boundary	ND (not detected)		-	-	Not exceeded
	Cyclopentane	Organised emission	17	9 in the north of #1 workshop, 4 in the south of #1 workshop, 4 in the south of #3 workshop	7.12mg/m ³		0.880	7.800	Not exceeded
	Xylene	Organised emission	9	1 in the north of #1 workshop,	8.94mg/m ³		9.270	27.705	Not exceeded
	VOCs	Organised emission	9	3 in the south of #1 workshop, 2 in the south of #2 workshop, 3 in the south of #3 workshop	23.41mg/m ³		15.430	63.535	Not exceeded
	Sulfur dioxide	Organised Emission	13	3 in the north of #1 workshop,	15.27mg/m ³	Shandong Provincial Standard - Regional and Integrated Emission Standard of Air Pollutants (DB37 2376-2019)	0.360	0.800	Not exceeded
	Nitric oxide	Organised emission	13	3 in the south of #1 workshop, 6 in the south of #2 workshop, 1 in the south of #3 workshop	87.46mg/m ³		2.040	7.020	Not exceeded
	Particulate matter	Organised emission	37	6 in the north of #1 workshop, 10 in the south of #1 workshop, 16 in the south of #2 workshop, 5 in the south of #3 workshop	6.08mg/m ³		11.930	35.8250	Not exceeded
	Odor (boundary)	Fugitive emission	-	Boundary	11 (dimensionless)	Emission Standards for Odor Pollutants GB14555-93	-	-	Not exceeded
Noise (boundary)	Boundary	-	Boundary	Daytime: 56.8dB Night: 46.0dB	Emission Standard for Industrial Enterprise Noise at Boundary GB12348-2008	-	-	Not exceeded	

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Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of		Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
			Emission outlets	Distribution of emission outlets					
Guangdong Xinhui CIMC Special Transportation Equipment Co., Ltd. ("XHCIMCS")	Particulate matter	Organised emission	25	East and middle of the factory area	18.68mg/m ³	Emission Limits of Air Pollutants DB/27-2001	7.110	Not approved by regulators	Not exceeded
	Particulate matter (boundary)	Fugitive emission	-	Boundary	0.56mg/m ³		-	Not approved by regulators	Not exceeded
	Methylbenzene (organic waste gas)	Organised emission	8	East and middle of the factory area	1.31mg/m ³	Emission Standard of Volatile Organic Compounds for Container Manufacturing DB44/1837-2016)	0.490	Not approved by regulators	Not exceeded
	Benzene (boundary)	Fugitive emission	-	Boundary	<0.0004mg/m ³		-	Not approved by regulators	Not exceeded
	Benzene (organic waste gas)	Organised emission	8	East and middle of the factory area	0.37mg/m ³		0.140	Not approved by regulators	Not exceeded
	Xylene (organic waste gas)	Organised emission	8	East and middle of the factory area	3.67mg/m ³		1.380	Not approved by regulators	Not exceeded
	Total VOCs (organic waste gas)	Organised emission	8	East and middle of the factory area	11.1mg/m ³	4.180	296.58	Not exceeded	
	Xinhui CIMC Container Co., Ltd. ("XHCIMC")	Noise (boundary)	Boundary	-	Boundary	Daytime: 56.75dB	Emission Standard for Industrial Enterprise Noise at Boundary (GB12348-2008)	-	-
Carbon monoxide (boiler)		Organised emission	1	Middle of the factory area	135.5 mg/m ³	Boiler Air Pollutant Discharge Standard DB44/765-2019	3.830	Not approved by regulators	Not exceeded
Nitric oxide (boiler)		Organised emission	1	Middle of the factory area	111.00mg/m ³		3.140	16.000	Not exceeded
Ringelmann emittance (boiler)		Organised emission	1	Middle of the factory area	<Level 1	-	-	Not approved by regulators	Not exceeded
Sulfur dioxide (boiler)		Organised emission	1	Middle of the factory area	3.00mg/m ³	0.100	3.730	Not exceeded	
Particulate matter (boiler)		Organised emission	1	Middle of the factory area	9.20mg/m ³	0.480	Not approved by regulators	Not exceeded	
Particulate matter		Organised emission	16	Middle and northeast of the factory area	20.00mg/m ³	Emission Limits of Air Pollutants DB/27-2001	0.100	Not approved by regulators	Not exceeded
Methylbenzene (organic waste gas)		Organised emission	5	Middle of the factory area	2.50mg/m ³		Emission Standard of Volatile Organic Compounds for Container Manufacturing DB44/1837-2016)	0.390	Not approved by regulators
Benzene (organic waste gas)		Organised emission	5	Middle of the factory area	0.42mg/m ³	0.070		Not approved by regulators	Not exceeded
Total VOCs (organic waste gas)		Organised emission	5	Middle of the factory area	18.9mg/m ³	2.990		Not approved by regulators	Not exceeded
Xylene (organic waste gas)		Organised emission	5	Middle of the factory area	6.38mg/m ³	1.010		Not approved by regulators	Not exceeded
PH (domestic sewage)		Organised emission	1	Northwest of the factory area	7.52 (dimensionless)	Discharge Limits of Water Pollutants DB/44-26-2001	-	-	Not exceeded
SS (domestic sewage)		Organised emission	1	Northwest of the factory area	8.5mg/L		1.180	Not approved by regulators	Not exceeded
Petroleum (domestic sewage)		Organised emission	1	Northwest of the factory area	0.1mg/L		0.010	Not approved by regulators	Not exceeded
Ammonia nitrogen (domestic sewage)		Organised emission	1	Northwest of the factory area	0.16mg/L		0.030	Not approved by regulators	Not exceeded
COD (domestic sewage)		Organised emission	1	Northwest of the factory area	18.5mg/L		2.850	Not approved by regulators	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 (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
Qingdao CIMC Container Manufacture Co., Ltd. ("QDCC")	PH	Sewage collection pipes	2	South and west of the factory area	7 (dimensionless)	Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015)	-	-	Not exceeded
	Ammonia nitrogen	Sewage collection pipes	2	South and west of the factory area	32.86mg/L		0.330	0.677	Not exceeded
	COD	Sewage collection pipes	2	South and west of the factory area	222.95mg/L		2.260	11.480	Not exceeded
	Methylbenzene	Organised emission	6	North of the assembly workshop	0.38mg/m ³	Shandong Provincial Standard - Emission Standard of Volatile Organic Compounds Part 5 (DB37/2801.5-2018)	0.107	10.100	Not exceeded
	Xylene	Organised emission	6	North of the assembly workshop	1.74mg/m ³		0.496	11.700	Not exceeded
	Non-methane hydrocarbon	Organised emission	6	North of the assembly workshop	5.80mg/m ³		1.650	178.700	Not exceeded
	Particulate matter	Organised emission	12	North of the factory area	3.83mg/m ³	Shandong Provincial Standard - Regional and Integrated Emission Standard of Air Pollutants (DB 37/2376-2019)	1.440	Not approved by regulators	Not exceeded
Noise (boundary)	Boundary	4	Boundary	Daytime: 61dB Night: 52dB	Emission Standard for Industrial Enterprise Noise at Boundary (GB12348-2008)	-	-	Not exceeded	
Zhangzhou CIMC Container Co., Ltd. ("Zhangzhou CIMC")	Particulate matter	Organised emission	10	East and middle of the factory area	2.92mg/m ³	Emission Standard of Volatile Organic Compounds for Industrial Surface Coating (DB35/1783-2)	1.020	23.800	Not exceeded
	Non-methane hydrocarbon	Organised emission	10	Middle of the factory area	3.57mg/m ³		1.270	60.000	Not exceeded
	Xylene	Organised emission	3	East of the factory area	1.72mg/m ³		0.080	Not approved by regulators	Not exceeded
	Methylbenzene	Organised emission	3	East of the factory area	2.18mg/m ³	0.120	Not approved by regulators	Not exceeded	
	Benzene	Organised emission	3	East of the factory area	0.13mg/m ³	0.010	Not approved by regulators	Not exceeded	
	Nitric oxide	Organised emission	5	Middle of the factory area	173mg/m ³	Boiler Air Pollutant Discharge Standard (GB13271-2014)	0.360	Not approved by regulators	Not exceeded
	Sulfur dioxide	Organised emission	5	Middle of the factory area	14.33mg/m ³		0.030	Not approved by regulators	Not exceeded
	Ringelmann emittance	Organised emission	5	Middle of the factory area	<Level 1	-	-	Not exceeded	
	Smoke and dust	Organised emission	5	Middle of the factory area	9.08mg/m ³	0.020	Not approved by regulators	Not exceeded	
	Noise (boundary)	Boundary	-	Boundary	Daytime: 57.56dB Night: 48.81dB	Emission Standard for Industrial Enterprise Noise at Boundary (GB12348-2008)	-	-	Not exceeded
	Fume	Organised emission	2	East of the factory area	0.78mg/m ³	Emission Standard of Cooking Fume (GB18483-2001)	0.010	Not approved by regulators	Not exceeded

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Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of		Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
			Emission outlets	Distribution of emission outlets					
Tianjin CIMC Containers Co., Ltd. ("TJCMC")	Nitric oxide	Organised emission	7	3 in the painting	3.63mg/m ³	DB12/556-2015 Emission Standard of Air Pollutants for Industrial Kiln and Furnace	0.325	3.9564	Not exceeded
	Particulate matter (smoke and dust)	Organised emission	7	workshop, 4 in the pre-treatment workshop	3.3mg/m ³		0.434	Aggregate of 18.35 tonnes for smoke and dust, and general dust	Not exceeded
	Sulfur dioxide	Organised emission	7		3 mg/m ³	Emission Standard for Industrial Enterprise Noise at Boundary GB12348-2008	0.195	2.5244	Not exceeded
	Noise (boundary)	Boundary	-	Boundary	Daytime: 57.5 dB (A) Night: 50.75 dB (A)		-	Not approved by regulators	Not exceeded
	Methylbenzene	Organised emission	2	2 in the pre-treatment workshop	0.11mg/m ³	DB12/524-2014 Emission Control Standard of Volatile Organic Compounds from Industrial Enterprises	0.006	Not approved by regulators	Not exceeded
	Xylene	Organised emission	2	2 in the pre-treatment workshop	7.95mg/m ³		0.290	Not approved by regulators	Not exceeded
	VOCs	Organised emission	5	3 in the painting workshop, 2 in the pre-treatment workshop	17.81mg/m ³		2.059	Not approved by regulators	Not exceeded
	VOCs (boundary)	Fugitive emission	-	Boundary	0.42mg/m ³		-	Not approved by regulators	Not exceeded
	Methylbenzene (boundary)	Fugitive emission	-	Boundary	0.04mg/m ³		-	Not approved by regulators	Not exceeded
	Xylene (boundary)	Fugitive emission	-	Boundary	0.05mg/m ³		-	Not approved by regulators	Not exceeded
	Particulate matter (general dust)	Organised emission	11	9 in the shot blasting, 2 in the sanding	3.31mg/m ³	GB16297-1996 Integrated Emission Standard of Air Pollutants	0.642	Aggregate of 18.35 tonnes for smoke and dust, and general dust	Not exceeded
	Odor concentration (boundary)	Fugitive emission	-	Boundary	<10 (dimensionless)	Emission Standards for Odor Pollutants DB12/059-2018	-	Not approved by regulators	Not exceeded
	Chemical oxygen demand (COD)	Sewage collection pipes (no external emission)	1	Southwest of the factory area	29.85mg/L	Integrated Wastewater Discharge Standard DB12/356-2018	-	3.280	Not exceeded
	Ammonia nitrogen	Sewage collection pipes (no external emission)	1	Southwest of the factory area	0.481mg/L		-	0.490	Not exceeded
	PH	Sewage collection pipes (no external emission)	1	Southwest of the factory area	7.43 (dimensionless)		-	Not approved by regulators	Not exceeded
	Five-day biochemical oxygen demand (BOD5)	Sewage collection pipes (no external emission)	1	Southwest of the factory area	8.3mg/L		-	Not approved by regulators	Not exceeded
	Total phosphorus	Sewage collection pipes (no external emission)	1	Southwest of the factory area	0.11mg/L		-	Not approved by regulators	Not exceeded
SS	Sewage collection pipes (no external emission)	1	Southwest of the factory area	16mg/L		-	Not approved by regulators	Not exceeded	
Animal and vegetable oil	Sewage collection pipes (no external emission)	1	Southwest of the factory area	0.135mg/L		-	Not approved by regulators	Not exceeded	
Total nitrogen	Sewage collection pipes (no external emission)	1	Southwest of the factory area	1.345mg/L		-	Not approved by regulators	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 (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
Ningbo CIMC Logistics Equipment Co., Ltd. ("NBCIMC")	Particulate matter	Organised emission	38	Pre-treatment line, welding line, full container sanding line	13.2 mg/m ³	Emission Standard of Air Pollutants for Industrial Surface Coating DB33/2146	8.760	133.138	Not exceeded
	VOCs	Organised emission	8	Pre-treatment line, paint line, black paint line, spray mark line	13.82mg/m ³		3.720	218.078	Not exceeded
	Non-methane hydrocarbon	Organised emission	8	Pre-treatment line, paint line, black paint line, spray mark line	10.64mg/m ³		3.580	Not approved by regulators	Not exceeded
	Methylbenzene	Organised emission	2	Pre-treatment line, spray mark line	ND (not detected)		-	Not approved by regulators	Not exceeded
	Xylene	Organised emission	2	Pre-treatment line, spray mark line	0.23mg/m ³		0.110	Not approved by regulators	Not exceeded
	NOx	Organised emission	2	Paint line	81.19mg/m ³	Boiler Air Pollutant Discharge Standard GB13271-2014	0.842	2.100	Not exceeded
	Ammonia nitrogen	Sewage collection pipes	1	The main outlet of factory waste water	0.84mg/L	Zhejiang Provincial Standard - Indirect Discharge for Emission Limitation of Nitrogen and Phosphorus for Industrial Wastewater DB33/887-2013	0.002	0.110	Not exceeded
	COD	Sewage collection pipes	1	The main outlet of factory waste water	17mg/L	Integrated Wastewater Discharge Standard (GB8978-1996)	0.310	1.090	Not exceeded
	PH	Sewage collection pipes	1	The main outlet of factory waste water	7.7 (dimensionless)		-	-	Not exceeded
	Petroleum	Sewage collection pipes	1	The main outlet of factory waste water	0.59mg/L		0.013	Not approved by regulators	Not exceeded
Total zinc	Sewage collection pipes	1	The main outlet of factory waste water	0.023mg/L		0.001	Not approved by regulators	Not exceeded	
Noise (boundary)	Boundary	-	Boundary	Daytime: 51.1dB(A) Night: 47.87dB(A)	Environmental Quality Standard for Noise GB3096-2008	-	-	Not exceeded	
Taicang CIMC Containers Co., Ltd. ("TCCIMC")	Methylbenzene	Organised emission	3	South of the welding workshop in the standard container area	0.06mg/m ³	Integrated Emission Standard of Air Pollutants (GB16297-1996)	0.003	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	8	South and northeast of the welding workshop in the standard container area	1.32mg/m ³	Integrated Emission Standard of Pollutants (GB16297-1996)	0.270	6.480	Not exceeded
	Xylene	Organised emission	3	South of the welding workshop in the standard container area	0.079mg/m ³		0.005	Not approved by regulators	Not exceeded
	VOCs	Organised emission	3	South of the welding workshop in the standard container area	0.92mg/m ³		0.078	32.465	Not exceeded
	Rainwater COD	Direct emission	2	Gate 6 and south of main road	89mg/L	Integrated Wastewater Discharge Standard (GB8978-1996)	-	-	Not exceeded
	Rainwater SS	Direct emission	2	Gate 6 and south of main road	34mg/L		-	-	Not exceeded
	Rainwater PH	Direct emission	2	Gate 6 and south of main road	7.4 (dimensionless)		-	-	Not exceeded

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Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of		Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission		
			Emission outlets	Distribution of emission outlets							
Nantong CIMC Special Transportation Equipment Manufacture Co., Ltd. ("NTCIMCS")	Methylbenzene	Organised emission	8	Middle of the factory area	0.96mg/m ³	Jiangsu Province Chemical Industry VOCs Emission Standard (DB32/3151-2016)	0.210	Not approved by regulators	Not exceeded		
	Ethyl acetate	Organised emission	8	Middle of the factory area	0.01mg/m ³		0.020	Not approved by regulators	Not exceeded		
	Xylene	Organised emission	8	Middle of the factory area	0.53mg/m ³		0.330	Not approved by regulators	Not exceeded		
	VOCs	Organised emission	8	Middle of the factory area	0.93mg/m ³		Emission Control Standard of Volatile Organic Compounds from Industrial Enterprises	0.740	Not approved by regulators	Not exceeded	
	Particulate matter	Organised emission	10	Middle of the factory area	4.24mg/m ³		Integrated Emission Standard of Air Pollutants (GB16297-1996)	1.330	Not approved by regulators	Not exceeded	
	Total phosphorus	Intermittent emission	2	East of the factory area + dormitory area	1.04mg/L		Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015)	0.030	Not approved by regulators	Not exceeded	
	COD	Intermittent emission	2	East of the factory area + dormitory area	45mg/L		Integrated Wastewater Discharge Standard (GB8978-1996)	1.270	Not approved by regulators	Not exceeded	
	Ammonia nitrogen	Intermittent emission	2	East of the factory area + dormitory area	19.9mg/L			0.560	Not approved by regulators	Not exceeded	
	Petroleum	Intermittent emission	1	East of the factory area	0.06mg/L			0.002	Not approved by regulators	Not exceeded	
	Xylene	Intermittent emission	1	East of the factory area	0.05mg/L			0.001	Not approved by regulators	Not exceeded	
	SS	Intermittent emission	2	East of the factory area + dormitory area	6mg/L			0.170	Not approved by regulators	Not exceeded	
	Methylbenzene	Intermittent emission	1	East of the factory area	0.05mg/L			0.001	Not approved by regulators	Not exceeded	
	Shanghai CIMC Baowell Industries Co. Ltd. ("CIMC Baowell")	SS	Sewage collection pipes	3	South and north of the factory area		45.3mg/L	Integrated Wastewater Discharge Standard (DB31/119-2018)	2.544	Not approved by regulators	Not exceeded
		Ammonia nitrogen	Sewage collection pipes	3	South and north of the factory area		26.7mg/L		1.499	Not approved by regulators	Not exceeded
Petroleum		Sewage collection pipes	3	South and north of the factory area	0.33mg/L	0.018	Not approved by regulators		Not exceeded		
Sulfide		Sewage collection pipes	3	South and north of the factory area	0.007mg/L	0.001	Not approved by regulators		Not exceeded		
PH		Sewage collection pipes	3	South and north of the factory area	7.18 (dimensionless)	-	-		Not exceeded		
COD		Sewage collection pipes	3	South and north of the factory area	107mg/L	6.008	Not approved by regulators		Not exceeded		
BOD5		Sewage collection pipes	3	South and north of the factory area	38.4mg/L	2.156	Not approved by regulators		Not exceeded		
Particulate matter		Organised emission	14	South and north of the factory area	3.65mg/m ³	Integrated Emission Standard of Air Pollutants (DB31/933-2015)	0.681		62.510	Not exceeded	
Methylbenzene		Organised emission	4	South and north of the factory area	0.287mg/m ³		0.087		338.4 tonnes/year shared	Not exceeded	
Xylene		Organised emission	4	South and north of the factory area	0.22mg/m ³		0.071		by benzene congeners and VOCs	Not exceeded	
Non-methane hydrocarbon		Organised emission	4	South and north of the factory area	3.65mg/m ³		1.212			Not exceeded	
Benzene	Organised emission	4	South and north of the factory area	0.0015mg/m ³		0.001		Not exceeded			
Noise (boundary)	Boundary	4	East, south, west, north of the factory area	Daytime: 47.5dB (A) Night: 50dB (A) (Note: Production was conducted in the night shift in the first half)	Emission Standard for Industrial Enterprise Noise at Boundary (GB12348-2008)	-	-	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 (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
Shanghai CIMC Yangshan Logistics Equipments Co., Ltd. ("CIMC Yangshan")	Fume	Organised emission	2	The small canteen, the great canteen	0.275mg/m ³	Emission Standard of Cooking Fume DB31/844-2012	0.005	Not approved by regulators	Not exceeded
	Odor	Boundary	-	Boundary	ND (not detected)	Emission Standards for Odor Pollutants	-	-	Not exceeded
	Ammonia	Boundary	-	Boundary	ND (not detected)	DB31/1025-2016	-	-	Not exceeded
	Ammonia	Organised emission	1	Primer paint line	0.19mg/m ³	DB31/1025-2016	0.010	Not approved by regulators	Not exceeded
	Xylene	Boundary	-	Boundary	ND (not detected)	Integrated Emission Standard of Air Pollutants	-	-	Not exceeded
	Particulate matter	Organised emission	7	Pre-treatment sanding line, full container sanding #1 line, full container sanding #2 line, full container sanding #3 line, primer paint line, intermediary paint line, exterior paint line	0.4mg/m ³	DB31/933-2015	0.120	6.11436	Not exceeded
	Methylbenzene	Organised emission	1	Pre-treatment sanding line	ND (not detected)		-	Not approved by regulators	Not exceeded
	Xylene	Organised emission	1	Pre-treatment sanding line	ND (not detected)		-	Not approved by regulators	Not exceeded
	Sulfide	Sewage collection pipes	1	Main sewage outlet	0.086mg/L	DB31/199-2018 Integrated Wastewater Discharge Standard	0.002	Not approved by regulators	Not exceeded
	SS	Sewage collection pipes	1	Main sewage outlet	34mg/L		0.830	Not approved by regulators	Not exceeded
COD	Sewage collection pipes	1	Main sewage outlet	30mg/L		0.730	34.220	Not exceeded	
Ammonia nitrogen	Sewage collection pipes	1	Main sewage outlet	0.7mg/L		0.020	2.400	Not exceeded	
Animal and vegetable oil	Sewage collection pipes	1	Main sewage outlet	4.34mg/L		0.110	Not approved by regulators	Not exceeded	
Petroleum	Sewage collection pipes	1	Main sewage outlet	0.49mg/L		0.010	Not approved by regulators	Not exceeded	
Anionic surfactant	Sewage collection pipes	1	Main sewage outlet	1.04mg/L		0.025	Not approved by regulators	Not exceeded	
Total phosphorus	Sewage collection pipes	1	Main sewage outlet	0.088mg/L		0.002	Not approved by regulators	Not exceeded	
BOD5	Sewage collection pipes	1	Main sewage outlet	69.6mg/L		1.700	Not approved by regulators	Not exceeded	
PH	Sewage collection pipes	1	Main sewage outlet	7.15 (dimensionless)		-	-	Not exceeded	
Total dissolved solids	Sewage collection pipes	1	Main sewage outlet	262mg/L		6.390	Not approved by regulators	Not exceeded	
Total nitrogen	Sewage collection pipes	1	Main sewage outlet	9.16mg/L		0.223	5.925	Not exceeded	
COD	Sewage collection pipes	1	Rainwater outlet	31mg/L		-	-	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 (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
CIMC Taicang Refrigeration Equipment Logistics Co., Ltd. ("TCCRRC")	Sulfuretted hydrogen	Organised emission	1	Primer paint line	ND (not detected)	Emission Standards for Odor Pollutants	-	Not approved by regulators	Not exceeded
	Odor	Organised emission	1	Primer paint line	54 (dimensionless)	DB31/1025-2016	-	-	Not exceeded
	Sulfuretted hydrogen	Boundary	-	Boundary	0.0004mg/m ³		-	-	Not exceeded
	Sulfur dioxide	Organised emission	2	Production boiler, domestic boiler	ND (not detected)	DB31/387-2018 Boiler Air Pollutant Discharge Standard	-	0.007338	Not exceeded
	Nitric oxide	Organised emission	2	Production boiler, domestic boiler	27.5mg/m ³		0.100	0.65857	Not exceeded
	Benzene	Organised emission	1	Pre-treatment sanding line	0.16mg/m ³	Integrated Emission Standard of Air Pollutants	0.003	Not approved by regulators	Not exceeded
	VOCs	Organised emission	4	Pre-treatment sanding line, primer paint line, intermediary paint line, exterior paint line	18.82mg/m ³	DB31/933-2015 5	4.000	19.257	Not exceeded
	Non-methane hydrocarbon	Boundary	-	-	3.19mg/m ³		-	-	Not exceeded
	Particulate matter	Boundary	-	Boundary	0.05mg/m ³		-	-	Not exceeded
	Benzene	Boundary	-	Boundary	ND (not detected)		-	-	Not exceeded
	Methylbenzene	Boundary	-	Boundary	ND (not detected)		-	-	Not exceeded
	Noise (boundary)	Boundary	-	Boundary	Daytime: 57.4dB(A)	GB12348-2008 Emission Standard for Industrial Enterprise Noise at Boundary	-	-	Not exceeded
	VOCs	Organised emission	8	South and north of #3 workshop, south and north of #1 workshop	1.95mg/m ³	Relevant standards set out in Time Slot II of the Emission Standard of Volatile Organic Compounds for Surface Coating (Vehicle Manufacturing Industry) (DB44/816-2010)	0.530	99.350	Not exceeded
Isopropyl alcohol	Organised emission	6		ND (not detected)	Technical Methods for Making Local Emission Standards of Air Pollutants	-	Not approved by regulators	Not exceeded	
Xylene	Organised emission	8		1.01mg/m ³	Integrated Emission Standard of Air Pollutants (GB16297-1996)	0.310	Not approved by regulators	Not exceeded	
Methylbenzene	Organised emission	3	Northwest of #3 workshop, the pre-treatment workshop, Northeast of #1 workshop	0.38mg/m ³		0.110	Not approved by regulators	Not exceeded	
Particulate matter	Organised emission	15	North of #3 plant, two sides of the subassembly, north of #1 workshop	1.34mg/m ³		0.710	22.280	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 (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission		
Taicang CIMC Special Logistics Equipment Co. Ltd. ("Taicang Special Equipment")	Normal butyl alcohol	Organised emission	5	South of the finished workshop in the special container area and west of the pre-treatment workshop	<0.2mg/m ³	Technical Methods for Making Local Emission Standards of Air Pollutants Integrated Emission Standard of Air Pollutants (GB16297-1996)	0.014	Not approved by regulators	Not exceeded		
	VOCs	Organised emission	5		1.18mg/m ³		0.320	77.537	Not exceeded		
	Methylbenzene	Organised emission	5		0.28mg/m ³		0.110	Not approved by regulators	Not exceeded		
	Xylene	Organised emission	5		0.64mg/m ³		0.140	Not approved by regulators	Not exceeded		
	Particulate matter	Organised emission	11	South of the finished workshop in the special container area and northwest of the pre-treatment workshop	1.32mg/m ³		0.490	8.640	Not exceeded		
	Rainwater SS	Direct emission	2	Gate 4 and north of the main road	36mg/L		Integrated Wastewater Discharge Standard (GB8978-1996)	-	Not approved by regulators	Not exceeded	
	Rainwater COD	Direct emission	2	Gate 4 and north of the main road	36mg/L			-	Not approved by regulators	Not exceeded	
	Rainwater PH	Direct emission	2	Gate 4 and north of the main road	7.27 (dimensionless)			-	Not approved by regulators	Not exceeded	
	Yangzhou CIMC Tong Hua Special Vehicles Co., Ltd. ("Yangzhou CIMC Tong Hua")	Blackness of fume	Organised emission	4	KTL workshop		ND (not detected)	Jiangsu Provincial Emission Standard of Air Pollutants for Industrial Kiln and Furnace (Exposure Draft) Emission Standard of Volatile Organic Compounds for Surface Coating (Vehicle Manufacturing Industry) DB32/2862-2016	-	Not approved by regulators	Not exceeded
		Nitric oxide	Organised emission	4	KTL workshop		131mg/m ³		0.170	Not approved by regulators	Not exceeded
Methylbenzene		Organised emission	4	#7 workshop of the South Plant, KTL workshop	0.292mg/m ³	0.075	Not approved by regulators		Not exceeded		
Xylene		Organised emission	4		2.05mg/m ³	0.114	Not approved by regulators		Not exceeded		
VOCs		Organised emission	15		1.1mg/m ³	0.423	3.142		Not exceeded		
Phosphoric acid fume		Organised emission	1	KTL workshop	ND (not detected)	Integrated Emission Standard of Air Pollutants DB31/933-2015, limit being 5mg/m ³	-		Not approved by regulators	Not exceeded	
Particulate matter		Organised emission	3	#6 workshop of the South Plant, KTL workshop	47.1mg/m ³		3.828		Not approved by regulators	Not exceeded	
Blackness of fume		Organised emission	2	KTL workshop	ND (not detected)		Boiler Air Pollutant Discharge Standard GB13271-2014		-	Not approved by regulators	Not exceeded
Particulate matter		Organised emission	2	KTL workshop	5.9mg/m ³	0.002			Not approved by regulators	Not exceeded	
Sulfur dioxide		Organised emission	2	KTL workshop	ND (not detected)	-	Not approved by regulators		Not exceeded		
Particulate matter	Organised emission	4	KTL workshop	9.3mg/m	Jiangsu Provincial Emission Standard of Air Pollutants for Industrial Kiln and Furnace (Exposure Draft)	0.072	Not approved by regulators	Not exceeded			
Sulfur dioxide	Organised emission	4	KTL workshop	ND (not detected)		-	Not approved by regulators	Not exceeded			
Sulfuretted hydrogen	Organised emission	2	KTL workshop	20mg/m ³		0.061	Not approved by regulators	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 (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
Zhumadian CIMC Huajun Casting Co. Ltd. ("Zhumadian CIMC Huajun Casting")	PH	Sewage collection pipes	1	South of Linjiang Plant	7.8 (dimensionless)	Integrated Wastewater Discharge Standard	–	Not approved by regulators	Not exceeded
	Ammonia nitrogen	Sewage collection pipes	1	South of Linjiang Plant	2.605mg/L	GB8978-1996 Wastewater Quality Standards for Discharge to Municipal Sewers GB/T31962-2015	0.238	2.890	Not exceeded
	Total phosphorus	Sewage collection pipes	1	South of Linjiang Plant	0.27mg/L		0.025	0.530	Not exceeded
	COD	Sewage collection pipes	1	South of Linjiang Plant	128.5mg/L		11.717	45.600	Not exceeded
	Total nitrogen	Sewage collection pipes	1	South of Linjiang Plant	33.1mg/L		2.520	4.890	Not exceeded
	Petroleum	Sewage collection pipes	1	South of Linjiang Plant	1.22mg/L		0.091	Not approved by regulators	Not exceeded
	Total nickel	Sewage collection pipes	1	South of Linjiang Plant	0.137mg/L		0.002	0.008	Not exceeded
	Total manganese	Sewage collection pipes	1	South of Linjiang Plant	0.66mg/L		0.044	Not approved by regulators	Not exceeded
	Anionic surfactant	Sewage collection pipes	1	South of Linjiang Plant	0.182mg/L		0.026	Not approved by regulators	Not exceeded
	BOD5	Sewage collection pipes	1	South of Linjiang Plant	76.4mg/L		6.840	Not approved by regulators	Not exceeded
	Total zinc	Sewage collection pipes	1	South of Linjiang Plant	0.077mg/L		0.008	Not approved by regulators	Not exceeded
	SS	Sewage collection pipes	1	South of Linjiang Plant	22.7mg/L		1.937	Not approved by regulators	Not exceeded
	Total phosphorus	Intermittent emission	1	Domestic sewage emission outlet	0.23mg/L	Integrated Wastewater Discharge Standard GB8978-1996	0.125	Not approved by regulators	Not exceeded
	Ammonia nitrogen	Intermittent emission	1	Domestic sewage emission outlet	2.48mg/L		1.340	Not approved by regulators	Not exceeded
COD	Intermittent emission	1	Domestic sewage emission outlet	106mg/L		57.588	Not approved by regulators	Not exceeded	
VOCs	Organised emission	2	1 outlet for each of the 2 subsequent spray-painting lines	35.9mg/m ³	Yu Huan Gong Jian Ban [2017] No. 162 Notice on the Proposed Emission Limit in the Work of Special Treatment of Volatile Organic Compounds of Industrial Enterprises, limit being 50mg/Nm ³	0.520	Not approved by regulators	Not exceeded	
Xylene	Organised emission	2	1 outlet for each of the 2 subsequent spray-painting lines	ND (not detected)	Integrated Emission Standard of Air Pollutants GB16297-1996	–	Not approved by regulators	Not exceeded	
Methylbenzene	Organised emission	2	1 outlet for each of the 2 subsequent spray-painting lines	ND (not detected)		–	Not approved by regulators	Not exceeded	
Particulate matter	Organised emission	6	1 outlet for each of the 2 lines for smelting, shot blasting, spaying painting	6.2mg/m ³		1.723	Not approved by regulators	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 (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission	
Zhumadian CIMC Huajun Vehicle Co., Ltd. ("Zhumadian CIMC Huajun Vehicle")	Xylene	Organised emission	11	The outer edge of coating workshop	8.38mg/m ³	Emission Standard of Volatile Organic Compounds for Industrial Surface Coating DB41/1951-2020, limit for methylbenzene and xylene being 20mg/m ³	2.153	Not approved by regulators	Not exceeded	
	Methylbenzene	Organised emission	11	The outer edge of coating workshop	9.81mg/m ³		0.177	Not approved by regulators	Not exceeded	
	Non-methane hydrocarbon	Organised emission	11	The outer edge of coating workshop	11mg/m ³		Emission Standard of Volatile Organic Compounds for Industrial Surface Coating DB41/1951-2020, limit being 50mg/m ³	7.780	58.835	Not exceeded
		COD	Sewage collection pipes	1	The main outlet of the plant	33mg/L	Integrated Wastewater Discharge Standard GB 8978-1996	0.109	3.444	Not exceeded
		Petroleum	Sewage collection pipes	1	The main outlet of the plant	0.29mg/L		0.001	Not approved by regulators	Not exceeded
		Fluoride	Sewage collection pipes	1	The main outlet of the plant	0.44mg/L		0.001	Not approved by regulators	Not exceeded
		Anionic surfactant	Sewage collection pipes	1	The main outlet of the plant	0.189mg/L		0.001	Not approved by regulators	Not exceeded
		BOD5	Sewage collection pipes	1	The main outlet of the plant	4.6mg/L		0.015	Not approved by regulators	Not exceeded
		SS	Sewage collection pipes	1	The main outlet of the plant	9mg/L		0.030	Not approved by regulators	Not exceeded
		Ammonia nitrogen	Sewage collection pipes	1	The main outlet of the plant	0.747mg/L		0.002	0.475	Not exceeded
	Phosphate	Sewage collection pipes	1	The main outlet of the plant	0.78mg/L	1mg/L		0.003	0.0316	Not exceeded
Liangshan CIMC Dongyue Vehicle Co., Ltd. ("Liangshan CIMC Dongyue")	Methylbenzene	Organised Emission	1	Painting room	1.34mg/m ³	Volatile Organic Compounds Emission Standard Part I: Automotive Manufacturing DB37/2801.1-2016		0.049	Not approved by regulators	Not exceeded
	Xylene	Organised Emission	1	Painting room	7.66mg/m ³			0.306	Not approved by regulators	Not exceeded
	VOCs	Organised Emission	1	Painting room	15.3mg/m ³	Shandong Provincial Standard - Regional and Integrated Emission Standard of Air Pollutants DB37/2376-2019	0.603	149.730	Not exceeded	
	Particulate matter	Organised emission	3	Painting room: 1, shot blasting machine: 2	18.7mg/m ³		1.857	Not approved by regulators	Not exceeded	
	Nitric oxide	Organised emission	1	Painting room	ND (not detected)		-	Not approved by regulators	Not exceeded	
	Sulfur dioxide	Organised emission	1	Painting room	ND (not detected)	-	Not approved by regulators	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 (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
Qingdao CIMC Eco-Equipment Co., Ltd. ("Qingdao CIMC Eco-Equipment")	Total nitrogen	Sewage collection pipes	1	Wastewater treatment station	2.6mg/ L	Wastewater Quality Standards for Discharge to Municipal Sewers Grade B, GB/T 31962-2015	0.003	0.678	Not exceeded
	COD	Sewage collection pipes	1	Wastewater treatment station	11mg/ L		0.013	4.842	Not exceeded
	Ammonia nitrogen	Sewage collection pipes	1	Wastewater treatment station	0.878mg/ L		0.001	0.436	Not exceeded
	Particulate matter	Organised emission	2	Painting workshop, putty room	1.2mg/m ³	Regional and Integrated Emission Standard of Air Pollutants, DB37 2376-2019, limit being 10 mg/m ³	0.070	Not approved by regulators	Not exceeded
	Hydrogen chloride	Organised Emission	1	Pre-treatment	2.11mg/m ³	Integrated Emission Standard of Air Pollutants GB16297-1996, limit being 150 mg/m ³	0.021	Not approved by regulators	Not exceeded
	Xylene	Organised emission	1	Painting workshop	0.047mg/m ³	Volatile Organic Compounds Emission Standard Part I: Automotive Manufacturing, DB37/2801.1-2016	0.006	Not approved by regulators	Not exceeded
	VOCS	Organised emission	1	Painting workshop	0.301mg/m ³	Automotive Manufacturing, DB37/2801.1-2016	0.020	39.690	Not exceeded
Methylbenzene	Organised emission	1	Painting workshop	0.019mg/m ³	0.002		Not approved by regulators	Not exceeded	
CIMC -SHAC (Xi'an) Special Vehicle Co., Ltd. ("Xi'an Special Vehicle")	Particulate matter	Organised Emission	6	1 outside the primer paint room, 2 outside the top paint room, 1 outside the small parts painting room, 2 outside the sanding room	2.9mg/m ³	Integrated Emission Standard of Air Pollutants (GB16297-1996)	0.631	Not approved by regulators	Not exceeded
	Sulfur dioxide	Organised Emission	3	1 outside the primer paint room, 1 outside the top paint room, 1 outside the small parts painting room	ND (not detected)		-	Not approved by regulators	Not exceeded
	Nitric oxide	Organised emission	3		3 mg/m ³		0.147	Not approved by regulators	Not exceeded
	Xylene	Organised emission	4	1 outside the primer paint room, 2 outside the top paint room, 1 outside the small parts painting room	10.5mg/m ³	Shaanxi Provincial Emission Control Standard of Volatile Organic Compounds (DB61/ T1061-2017)	1.070	Not approved by regulators	Not exceeded
	Non-methane hydrocarbon	Organised emission	4		2.12mg/m ³		0.321	45.500	Not exceeded
	Methylbenzene	Organised emission	4		1.58mg/m ³		0.184	Not approved by regulators	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 (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
Wuhu CIMC Ruijiang Automobile Co., Ltd. ("Wuhu CIMC Ruijiang")	Particulate matter	Organised emission	4	1 in the powder tank truck workshop, 3 in the tank truck workshop	31.1mg/m ³	Integrated Emission Standard of Air Pollutants GB16297-1996 Class 2	1.410	16.782	Not exceeded
	Sulfur dioxide	Organised emission	6	2 in the powder tank truck	4mg/m ³		0.105	2.366	Not exceeded
	Nitric oxide	Organised emission	6	painting workshop, 4 in the tank truck painting workshop	ND (not detected)		-	8.821	Not exceeded
	Xylene	Organised emission	6	2 in the powder tank truck painting workshop, 4 in the tank truck painting workshop	0.482mg/m ³	Integrated Emission Standard of Air Pollutants GB16297-1996	0.292	1.689	Not exceeded
	Non-methane hydrocarbon	Organised emission	6	2 in the powder tank truck painting workshop, 4 in the tank truck painting workshop	16.7mg/m ³	Hebei Province Emission Control Standard of Volatile Organic Compounds from Industrial Enterprises DB13/2332-2016	0.511	8.040	Not exceeded
	Fluoride	Sewage collection pipes	1	Main sewage outlet	60.2mg/L	Integrated Wastewater Discharge Standard GB8978-1996 Class 3	0.001	0.003	Not exceeded
	SS	Sewage collection pipes	1	Main sewage outlet	25mg/L		0.161	1.2989	Not exceeded
	Animal and vegetable oil	Sewage collection pipes	1	Main sewage outlet	0.41mg/L		0.002	0.08138	Not exceeded
	PH	Sewage collection pipes	1	Main sewage outlet	7.36 (dimensionless)		-	Not approved by regulators	Not exceeded
	BOD5	Sewage collection pipes	1	Main sewage outlet	ND (not detected)		-	Not approved by regulators	Not exceeded
	Petroleum	Sewage collection pipes	1	Main sewage outlet	0.82mg/L		0.004	0.050	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 (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
CIMC Vehicles (Shandong) Co., Ltd. ("Shandong CIMC Vehicles")	BOD5	Intermittent emission	1	Domestic sewage outlet	6.4mg/L	Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015) Grade A	0.028	Not approved by regulators	Not exceeded
	Total phosphorus	Intermittent emission	1	Domestic sewage outlet	5.19mg/L		0.019	Not approved by regulators	Not exceeded
	COD	Intermittent emission	1	Domestic sewage outlet	19mg/L		0.089	Not approved by regulators	Not exceeded
	Ammonia nitrogen	Intermittent emission	1	Domestic sewage outlet	8.11mg/L		0.029	Not approved by regulators	Not exceeded
	SS	Intermittent emission	1	Domestic sewage outlet	38mg/L		0.173	Not approved by regulators	Not exceeded
	PH	Intermittent emission	1	Domestic sewage outlet	7.6 (dimensionless)		-	Not approved by regulators	Not exceeded
	Sulfur dioxide	Organised emission	2	The boiler room of refrigeration, cold transportation workshop	ND (not detected)	Boiler Air Pollutant Discharge Standard of Shandong Province	-	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	2		8.4mg/m ³		0.011	Not approved by regulators	Not exceeded
	Nitric oxide	Organised Emission	2		40mg/m ³		0.045	Not approved by regulators	Not exceeded
	Sulfur dioxide	Organised Emission	2	Painting workshop - painting color separation line, small parts drying line	ND (not detected)	Shandong Provincial Standard - Regional and Integrated Emission Standard of Air Pollutants (DB37/2376-2019)	-	Not approved by regulators	Not exceeded
	Nitric oxide	Organised emission	2		32mg/m ³		0.013	Not approved by regulators	Not exceeded
	Particulate matter	Organised Emission	6	Painting workshop - painting line (small parts, color separation), drying line (small parts, color separation), carving and trimming line, plasma cutting	9.5mg/m ³		0.042	Not approved by regulators	Not exceeded
	Benzene	Organised emission	4	Painting workshop - painting line (small parts, color separation), drying line (small parts, color separation)	0.0864mg/m ³		Shandong Province Volatile Organic Compounds Emission Standard Part I: Automotive Manufacturing (DB37/2801.1-2016)	0.00004	Not approved by regulators
	Non-methane hydrocarbon	Organised emission	6	Painting workshop - painting line (small parts, color separation), drying line (small parts, color separation), plate making process, cold foaming process	26.4mg/m ³	1.391		20.650	Not exceeded
	Xylene	Organised emission	4	Painting workshop - painting line (small parts, color separation), drying line (small parts, color separation)	8.6mg/m ³	0.257		Not approved by regulators	Not exceeded
Methylbenzene	Organised emission	4		2.26mg/m ³	0.025	Not approved by regulators	Not exceeded		

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Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of		Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
			Emission outlets	Distribution of emission outlets					
Luoyang CIMC Lingyu Automobile Co., Ltd. ("Luoyang CIMC Lingyu")	Particulate matter	Organised emission	9	Drying room, sand blasting room, polishing room of the painting workshop	23.7mg/m ³	Integrated Emission Standard of Air Pollutants (GB16297-1996) Class 2 in Table 2, limit being 120mg/m ³	2.176	Not approved by regulators	Not exceeded
	Xylene	Organised emission	1	Painting line, drying waste gas	0.44mg/m ³	Emission Standard of Volatile Organic Compounds for Industrial Surface Coating (DB41/1951-2020) Standard of Table 1	0.018	Not approved by regulators	Not exceeded
	Methylbenzene	Organised emission	1	treatment facilities of the painting workshop	0.269mg/m ³		0.013	Not approved by regulators	Not exceeded
	Non-methane hydrocarbon	Organised emission	1		15.3mg/m ³		2.565	20.270	Not exceeded
	Nitric oxide	Organised emission	6	Drying room of the painting workshop	140mg/m ³	Emission Standard of Air Pollutants for Industrial Kiln and Furnace (DB41/1066-2020) Standard of Table 1	0.292	5.130	Not exceeded
	Sulfur dioxide	Organised emission	6		19mg/m ³		0.039	1.380	Not exceeded
	COD	Intermittent emission	1	Main outlet of the plant	302.586mg/L	Integrated Wastewater Discharge Standard (GB8978-1996) Class 3 in Table 4	1.228	6.390	Not exceeded
	Ammonia nitrogen	Intermittent emission	1	Main outlet of the plant	39.576mg/L		0.302	0.590	Not exceeded
	BOD	Intermittent emission	1	Main outlet of the plant	10.7mg/L		0.245	Not approved by regulators	Not exceeded
	Petroleum	Intermittent emission	1	Main outlet of the plant	0.23mg/L		0.003	Not approved by regulators	Not exceeded
	SS	Intermittent emission	1	Main outlet of the plant	10mg/L		0.229	Not approved by regulators	Not exceeded
	Anionic surfactant	Intermittent emission	1	Main outlet of the plant	0.504mg/L		0.008	Not approved by regulators	Not exceeded
	Phosphate	Intermittent emission	1	Main outlet of the plant	3.344mg/L		0.039	Not approved by regulators	Not exceeded
	PH	Intermittent emission	1	Main outlet of the plant	8.181 (dimensionless)		-	Not approved by regulators	Not exceeded
Shenzhen CIMC Special Vehicle Co., Ltd. ("Shenzhen CIMC Special Vehicle")	VOCS	Organised Emission	4	Coating workshop	4.44mg/m ³	Emission Standard of Volatile Organic Compounds for Surface Coating (Vehicle Manufacturing Industry) DB44/816-2010	0.050	0.134	Not exceeded
	Methylbenzene + xylene	Organised emission	3	Coating workshop	0.11mg/m ³		0.002	Not approved by regulators	Not exceeded
	Ringelmann emittance	Organised emission	7	Coating workshop	Level 0	Boiler Air Pollutant Discharge Standard B13271-2014, limit ≤Class 1	-	Not approved by regulators	Not exceeded
	Sulfur dioxide	Organised emission	7	Coating workshop	6mg/m ³	Boiler Air Pollutant Discharge Standard B13271-2014	0.010	0.180	Not exceeded
	Particulate matter	Organised Emission	7	Coating workshop	16 mg/m ³		0.020	1.830	Not exceeded
Nitric oxide	Organised emission	7	Coating workshop	20.8mg/m ³		0.370	0.840	Not exceeded	
Particulate matter	Organised emission	3	Welding workshop	2.10mg/m ³	Emission Limits of Air Pollutants DB44/27-2001, limit being 120mg/m ³	0.330	1.830	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 (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
Qingdao CIMC Special Vehicle Co., Ltd. ("Qingdao CIMC Special Vehicle")	VOCs	Organised emission	1	Painting workshop	0.17mg/m ³	Volatile Organic Compounds Emission Standard Part I: Automotive Manufacturing, DB37/2801.1-2016	0.021	71.180	Not exceeded
	Xylene	Organised emission	1	Painting workshop	0.059mg/m ³		0.008	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	4	Painting workshop	3.825mg/m ³	Regional and Integrated Emission Standard of Air Pollutants, DB37 2376-2019, limit being 10 mg/m ³	0.398	Not approved by regulators	Not exceeded
	Ammonia nitrogen	Intermittent emission	1	Domestic sewage outlet	2.96mg/L	Wastewater Quality Standards for Discharge to Municipal Sewers GB/T31962-2015	0.053	Not approved by regulators	Not exceeded
	BOD5	Intermittent emission	1	Domestic sewage outlet	4.6mg/L		0.045	Not approved by regulators	Not exceeded
	COD	Intermittent emission	1	Domestic sewage outlet	24mg/L		0.216	Not approved by regulators	Not exceeded
	SS	Intermittent emission	1	Domestic sewage outlet	8mg/L		0.032	Not approved by regulators	Not exceeded
Shandong Wanshida Special Purpose Vehicle Manufacturing Co., Ltd. ("Wanshida SPV")	Methylbenzene	Organised emission	1	Painting room, drying room	0.212mg/m ³	Shandong Province Volatile Organic Compounds Emission Standard Part I: Automotive Manufacturing (DB37/2801.1-2016)	0.029	Not approved by regulators	Not exceeded
	Xylene	Organised emission	1	Painting room, drying room	0.499mg/m ³	Shandong Provincial Standard - Regional and Integrated Emission Standard of Air Pollutants (DB37/2376-2019)	0.069	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	1	Painting room, drying room	7.8mg/m ³		1.080	Not approved by regulators	Not exceeded
	Nitric oxide	Organised emission	2	Drying room	ND (not detected)		-	Not approved by regulators	Not exceeded
	Sulfur dioxide	Organised emission	2	Drying room	ND (not detected)		-	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	1	Shot blasting room	7.8mg/m ³		0.432	Not approved by regulators	Not exceeded
	VOCs	Organised emission	1	Painting room, drying room	7mg/m ³	Shandong Province Volatile Organic Compounds Emission Standard Part I: Automotive Manufacturing (DB37/2801.1-2016), limit being 50mg/m ³	0.315	78.645	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 (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission	
Dongguan CIMC Special Vehicle Co., Ltd. ("Dongguan CIMC Special Vehicle")	Petroleum	Sewage collection pipes	1	Domestic wastewater outlet	0.33mg/L	Environmental Quality Standard for Surface Water GB3838-2002 IV Category	0.002	Not approved by regulators	Not exceeded	
	Fluoride	Sewage collection pipes	1	Domestic wastewater outlet	1.42mg/L		0.009	Not approved by regulators	Not exceeded	
	Total phosphorus	Sewage collection pipes	1	Domestic wastewater outlet	0.07mg/L		0.0004	Not approved by regulators	Not exceeded	
	BOD	Sewage collection pipes	1	Domestic wastewater outlet	1.1mg/L		0.007	Not approved by regulators	Not exceeded	
	COD	Sewage collection pipes	1	Domestic wastewater outlet	7mg/L		0.042	Not approved by regulators	Not exceeded	
	Total zinc	Sewage collection pipes	1	Domestic wastewater outlet	ND (not detected)		-	Not approved by regulators	Not exceeded	
	Total nickel	Sewage collection pipes	1	Domestic wastewater outlet	ND (not detected)		-	Not approved by regulators	Not exceeded	
	Total manganese	Sewage collection pipes	1	Domestic wastewater outlet	ND (not detected)		-	Not approved by regulators	Not exceeded	
	SS	Sewage collection pipes	1	Domestic wastewater outlet	6mg/L		Discharge Standard of Water Pollutants for Electroplating DB44/1597-2015 Table 2 Water Pollutant Emission Limit for New Projects of Pearl River Delta, limit being 30mg/L	0.036	Not approved by regulators	Not exceeded
	NOX	Organised emission	8	Coating workshop	110mg/m ³			Emission Limits of Air Pollutants DB44/27-2001 Time Slot II Level II	1.226	Not approved by regulators
	SO2	Organised emission	8	Coating workshop	ND (not detected)	-			Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	18	Structure workshop, coating workshop	3.3mg/m ³	1.246			Not approved by regulators	Not exceeded
	Manganese and its compounds	Organised emission	6	Structure workshop	0.0884mg/m ³	Emission Standard of Volatile Organic Compounds for Surface Coating (Vehicle Manufacturing Industry) DB44/816-2010, limit being 50mg/m ³		0.009	Not approved by regulators	Not exceeded
	VOCs	Organised emission	2	Coating workshop	1.56mg/m ³			0.009	Not approved by regulators	Not exceeded
	COD	Intermittent emission	1	Domestic sewage outlet	259mg/L	Discharge Limits of Water Pollutants DB44/26-2001 Time Slot II Level III		2.714	Not approved by regulators	Not exceeded
	BOD	Intermittent Emission	1	Domestic sewage outlet	94.5mg/L			0.990	Not approved by regulators	Not exceeded
	SS	Intermittent emission	1	Domestic sewage outlet	121mg/L			1.268	Not approved by regulators	Not exceeded
	Ammonia nitrogen	Intermittent emission	1	Domestic sewage outlet	16.3mg/L	No limit set by the standard	0.171	Not approved by regulators	Not exceeded	
	Total phosphorus	Intermittent emission	1	Domestic sewage outlet	3.38mg/L	No limit set by the standard	0.035	Not approved by regulators	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 (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
Zhangjiagang CIMC Sanctum Cryogenic Equipment Machinery Co., Ltd. ("Zhangjiagang Sanctum")	Xylene	Organised emission	3	North, east and west of the factory area	2.14mg/m ³	Integrated Emission Standard of Air Pollutants GB16297-1996	0.003	Not approved by regulators	Not exceeded
	Non-methane hydrocarbon	Organised emission	3	North, east and west of the factory area	39.23mg/m ³		3.528	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	4	North, east and west of the factory area	1.2mg/m ³		0.134	Not approved by regulators	Not exceeded
	Methylbenzene	Organised emission	3	North, east and west of the factory area	0.056mg/m ³		0.001	Not approved by regulators	Not exceeded
	Total phosphorus	Sewage collection pipes	1	Southwestern corner of the factory area	1.76mg/L	Integrated Wastewater Discharge Standard GB8978-1996	0.033	Not approved by regulators	Not exceeded
	COD	Sewage collection pipes	1	Southwestern corner of the factory area	195mg/L		3.746	Not approved by regulators	Not exceeded
	Animal and vegetable oil	Sewage collection pipes	1	Southwestern corner of the factory area	12.3mg/L		0.236	Not approved by regulators	Not exceeded
	SS	Sewage collection pipes	1	Southwestern corner of the factory area	30mg/L		0.576	Not approved by regulators	Not exceeded
	Ammonia nitrogen	Sewage collection pipes	1	Southwestern corner of the factory area	1.1mg/L		0.021	Not approved by regulators	Not exceeded
	PH	Sewage collection pipes	1	Southwestern corner of the factory area	7.27 (dimensionless)		-	Not approved by regulators	Not exceeded
	BOD5	Sewage collection pipes	1	Southwestern corner of the factory area	69mg/L		1.325	Not approved by regulators	Not exceeded
Shijiazhuang Enric Gas Equipment Co., Ltd. ("Gas Equipment")	Particulate matter	Organised emission	54	Heat treatment furnace, curing furnace, heating furnace in painting room, sanding room, putty room, outer polishing machine of each workshop	2.5-6.7mg/m ³	120mg/m ³	0.336	Not approved by regulators	Not exceeded
	Methylbenzene + xylene	Organised emission	21	11 painting rooms of each workshop	1.19-5.67mg/m ³	20mg/m ³	0.220	Not approved by regulators	Not exceeded
	Non-methane hydrocarbon	Organised emission	21	11 painting rooms of each workshop	6.25-14.8mg/m ³	50mg/m ³	1.010	Not approved by regulators	Not exceeded
	Sulfur dioxide	Organised emission	24	Heat treatment furnace, curing furnace, heating furnace in painting room of each workshop	4-15mg/m ³	400mg/m ³	0.061	2.808	Not exceeded
	Nitric oxide	Organised emission	24	Heat treatment furnace, curing furnace, heating furnace in painting room of each workshop	14-61mg/m ³	400mg/m ³	0.397	18.569	Not exceeded
	COD	Sewage collection pipes	1	The main wastewater outlet in the north of the factory	55-65mg/L	150mg/L	0.134	5.646	Not exceeded
	Ammonia nitrogen	Sewage collection pipes	1	The main wastewater outlet in the north of the factory	2.0-5.2mg/L	25mg/L	0.017	0.941	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 (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
Nantong CIMC Energy Equipment Co., Ltd. ("Nantong CIMC Energy Equipment")	Non-methane hydrocarbon	Organised emission	6	Low-temperature workshop, tank	1.27mg/m ³	Jiangsu Province Chemical Industry VOCs Emission Standard (DB32/3151-2016) Emission Standard in Table 1	0.650	2.449	Not exceeded
	Methylbenzene	Organised emission	6	truck workshop, gas bottle	0.013mg/m ³	Integrated Emission Standard of Air Pollutants (GB16297-1996) Class 2 in Table 2	0.020	0.123	Not exceeded
	Xylene	Organised emission	6	workshop	0.056mg/m ³		0.030	1.320	Not exceeded
	Particulate matter (dust, smoke)	Organised emission	3	Sanding room	4.6mg/m ³		0.370	1.509	Not exceeded
	SS	Sewage collection pipes	1	Main wastewater outlet	22mg/L	Integrated Wastewater Discharge Standard (GB8978-1996) Class 3 in Table 4	0.410	4.022	Not exceeded
	COD	Sewage collection pipes	1	Main wastewater outlet	44mg/L	Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015) Grade B Requirement in Table 1	4.500	11.827	Not exceeded
	Total phosphorus	Sewage collection pipes	1	Main wastewater outlet	0.68mg/L		0.013	0.111	Not exceeded
Ammonia nitrogen	Sewage collection pipes	1	Main wastewater outlet	2.6mg/L	0.490		1.192	Not exceeded	
Nantong CIMC Tank Equipment Co., Ltd. ("Nantong CIMC Tank")	Ammonia nitrogen	Sewage collection pipes	1	Main outlet of the company	0.144mg/L	45mg/L	0.046	No approved total emission for general emission outlets stipulated by the national pollutant discharge permit	Not exceeded
	COD	Sewage collection pipes	1	Main outlet of the company	32mg/L	500mg/L	1.080		Not exceeded
	VOCs	Organised emission	4	Waste gas outlet	6.63mg/m ³	120mg/m ³	0.760		Not exceeded

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Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of		Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
			Emission outlets	Distribution of emission outlets					
Nantong SinoPacific Offshore & Engineering Co., Ltd. ("SOE")	Nitric oxide	Organised emission	3	East of the plant	200mg/m ³	Boiler Air Pollutant Discharge Standard GB13271-2014	0.070	Not approved by regulators	Not exceeded
	Sulfur dioxide	Organised emission	3	East of the plant	50mg/m ³		0.015	Not approved by regulators	Not exceeded
	Dust	Organised emission	3	East of the plant	20mg/m ³		0.004	Not approved by regulators	Not exceeded
	VOCs	Organised Emission	5	East and middle of the plant	7.46mg/m ³	Emission Control Standard of Volatile Organic Compounds from Industrial Enterprises (DB12/524-2014)	1.290	Not approved by regulators	Not exceeded
	Dust	Organised emission	6	East and middle of the plant	26.9mg/m ³	Integrated Emission Standard of Air Pollutants (DB31/933-2015)	3.508	Not approved by regulators	Not exceeded
	Methylbenzene	Organised emission	5	East and middle of the plant	ND (not detected)	Integrated Emission Standard of Air Pollutants (DB31/933-2015)	0.840	Not approved by regulators	Not exceeded
	Xylene	Organised emission	5	East and middle of the plant	ND (not detected)		0.820	Not approved by regulators	Not exceeded
	Paint mist	Organised emission	5	East and middle of the plant	30mg/m ³		0.700	Not approved by regulators	Not exceeded
	PH	Sewage collection pipes	1	North of the plant	7.98 (dimensionless)		Execution of Centralized Collection Agreement 6-9 (dimensionless)	-	-
	COD	Sewage collection pipes	1	North of the plant	22mg/L	Execution of Centralized Collection Agreement ≤450mg/L	1.014	Not approved by regulators	Not exceeded
	Ammonia nitrogen	Sewage collection pipes	1	North of the plant	0.35mg/L	Execution of Centralized Collection Agreement ≤30mg/L	0.008	Not approved by regulators	Not exceeded
	Petroleum	Sewage collection pipes	1	North of the plant	0.19mg/L	Execution of Centralized Collection Agreement ≤20mg/L	0.234	Not approved by regulators	Not exceeded
	Total phosphorus	Sewage collection pipes	1	North of the plant	0.58mg/L	Execution of Centralized Collection Agreement ≤3mg/L	0.016	Not approved by regulators	Not exceeded
	BOD5	Sewage collection pipes	1	North of the plant	8.4mg/L	Execution of Centralized Collection Agreement ≤200mg/L	0.406	Not approved by regulators	Not exceeded
Shenzhen CIMC-TianDa Airport Support Ltd. ("TianDa Airport")	Ringelmann emittance	Organised emission	1	Generator room in the west part of the office building	<Level 1	DB44/21-2001 Time Slot II Level II	-	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	8	North of #1 plant, north of #2 plant	0-46.6 mg/m ³	Emission Standard of Volatile Organic Compounds for Surface Coating (Vehicle Manufacturing Industry)	2.760	Not approved by regulators	Not exceeded
	Methylbenzene	Organised emission	3		0.364-13.3 mg/m ³		1.266	Not approved by regulators	Not exceeded
	Xylene	Organised Emission	3		0.054-0.109 mg/m ³		0.013	Not approved by regulators	Not exceeded
	Benzene	Organised emission	3		0-0.126mg/m ³		0.001	Not approved by regulators	Not exceeded
Total VOCs	Organised emission	3		10.3-38.8mg/m ³	6.090		Not approved by regulators	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 (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
Dalian CIMC Logistics Equipment Co., Ltd. ("Dalian Logistics Equipment")	Particulate matter	Fugitive emission	-	1m outside the boundary	Not in the monitoring period	Emission Standard of Volatile Organic Compounds for Industrial Surface Coating DB21 3160-019; Emission Standard of Air Pollutants (GB16297)	-	Not approved by regulators	Not exceeded
	Non-methane hydrocarbon	Fugitive emission	-	1m outside the boundary	Not in the monitoring period	Emission Standard of Volatile Organic Compounds for Industrial Surface Coating DB21 3160-019; Emission Standard of Air Pollutants (GB16297)	-	Not approved by regulators	Not exceeded
	Noise (boundary)	Boundary	-	1m outside the western boundary	Daytime: 54.1dB(A)	Emission Standard for Industrial Enterprise Noise at Boundary (GB12348-90)	-	-	Not exceeded
	Noise (boundary)	Boundary	-	1m outside the southern boundary	Daytime: 51.4dB(A)	Emission Standard for Industrial Enterprise Noise at Boundary (GB12348-90)	-	-	Not exceeded
	Noise (boundary)	Boundary	-	1m outside the eastern boundary	Daytime: 52.6dB(A)	Emission Standard for Industrial Enterprise Noise at Boundary (GB12348-90)	-	-	Not exceeded
	Noise (boundary)	Boundary	-	1m outside of the northern boundary	Daytime: 52.0dB(A)	Emission Standard for Industrial Enterprise Noise at Boundary (GB12348-90)	-	-	Not exceeded
	P-xylene	Soil testing points	-	East and west of the plant	Not in the monitoring period	GB36600-2018 Risk Control Standard for Soil Contamination of Development Land	-	Not approved by regulators	Not exceeded
	M-xylene	Soil testing points	-	East and west of the plant	Not in the monitoring period	GB36600-2018 Risk Control Standard for Soil Contamination of Development Land	-	Not approved by regulators	Not exceeded
	O-xylene	Soil testing points	-	East and west of the plant	Not in the monitoring period	GB36600-2018 Risk Control Standard for Soil Contamination of Development Land	-	Not approved by regulators	Not exceeded
	Methylbenzene	Soil testing points	-	East and west of the plant	Not in the monitoring period	GB36600-2018 Risk Control Standard for Soil Contamination of Development Land	-	Not approved by regulators	Not exceeded
	Benzene	Soil testing points	-	East and west of the plant	Not in the monitoring period	GB36600-2018 Risk Control Standard for Soil Contamination of Development Land	-	Not approved by regulators	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 (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
	Total phosphorus	Intermittent emission	1	In the south of the plant	Not in the monitoring period	Liaoning Province Integrated Wastewater Discharge Standard (DB21/1627-2008)	Not in the monitoring period	Not approved by regulators	Not exceeded
	Total nitrogen	Intermittent emission	1	In the south of the plant	Not in the monitoring period		Not in the monitoring period	Not approved by regulators	Not exceeded
	COD	Intermittent emission	1	In the south of the plant	Not in the monitoring period		Not in the monitoring period	Not approved by regulators	Not exceeded
	SS	Intermittent emission	1	In the south of the plant	Not in the monitoring period		Not in the monitoring period	Not approved by regulators	Not exceeded
	Ammonia nitrogen	Intermittent emission	1	In the south of the plant	Not in the monitoring period		Not in the monitoring period	Not approved by regulators	Not exceeded
	PH	Intermittent emission	1	In the south of the plant	Not in the monitoring period		Not in the monitoring period	Not approved by regulators	Not exceeded
	Non-methane hydrocarbon	Organised emission	4	Outside the painting line	Not in the monitoring period	Emission Standard of Volatile Organic Compounds for Industrial Surface Coating DB21 3160-019; Emission Standard of Air Pollutants (GB16297)	Not in the monitoring period	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	6	Outside the painting line	Not in the monitoring period		Not in the monitoring period	Not approved by regulators	Not exceeded
	Sulfur dioxide	Organised emission	5	Outside the painting line	Not in the monitoring period		Not in the monitoring period	Not approved by regulators	Not exceeded
	Nitric oxide	Organised emission	5	Outside the painting line	Not in the monitoring period		Not in the monitoring period	Not approved by regulators	Not exceeded
	Benzene congeners	Organised emission	4	Outside the painting line	Not in the monitoring period		Not in the monitoring period	Not approved by regulators	Not exceeded
	Benzene	Organised emission	4	Outside the painting line	Not in the monitoring period		Not in the monitoring period	Not approved by regulators	Not exceeded
	VOCs	Organised emission	4	Outside the painting line	Not in the monitoring period		Not in the monitoring period	Not approved by regulators	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 (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission	
C&C Trucks Co., Ltd. ("C&C Trucks")	Total nickel	Sewage collection pipes	1	Gate 1 of the factory	0.75mg/L	Integrated Wastewater Discharge Standard GB8978-1996	0.003	0.14328	Not exceeded	
	Total zinc	Sewage collection pipes	1	Gate 1 of the factory	<0.05mg/L Concentration lower than the limit		-	0.17685	Not exceeded	
	Phosphate	Sewage collection pipes	1	Gate 1 of the factory	0.051mg/L		0.073	0.2829	Not exceeded	
	CODcr	Sewage collection pipes	1	Gate 1 of the factory	140mg/L		1.623	25.035	Not exceeded	
	Ammonia nitrogen	Sewage collection pipes	1	Gate 1 of the factory	16.8mg/L		0.140	1.71165	Not exceeded	
	VOCs	Organised emission	4	Frame workshop, body painting workshop	5.78mg/m ³		Integrated Emission Standard of Air Pollutants GB16297-1996	2.660	148.09	Not exceeded
	Ringelmann emittance	Organised emission	2	Kinetic energy workshop, frame workshop	<Level 1			-	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	8	Kinetic energy workshop, frame workshop	ND (not detected)			-	Not approved by regulators	Not exceeded
	SO2	Organised emission	5	Kinetic energy workshop	ND (not detected)			-	Not approved by regulators	Not exceeded
	NOx	Organised emission	5	Frame workshop, body painting workshop	54mg/m ³			1.280	Not approved by regulators	Not exceeded
Yantai CIMC Raffles Offshore Engineering Co., Ltd. ("Yantai Raffles")	Particulate matter	Organised emission	8	Pre-treatment workshop, coating workshop	2.1mg/m ³	Shandong Provincial Standard - Regional and Integrated Emission Standard of Air Pollutants (DB37/2376-2019)	0.212	Not approved by regulators	Not exceeded	
	Xylene	Organised emission	3	Pre-treatment workshop, coating workshop	<0.0015mg/m ³		Emission Standard of Volatile Organic Compounds Part 5: Surface Coating Industry (DB37/2801.5-2018)	-	Not approved by regulators	Not exceeded
	Methylbenzene	Organised emission	3	Pre-treatment workshop, coating workshop	<0.0015mg/m ³			-	Not approved by regulators	Not exceeded
	Benzene	Organised emission	3	Pre-treatment workshop, coating workshop	<0.0015mg/m ³			-	Not approved by regulators	Not exceeded
	VOCs	Organised emission	3	Pre-treatment workshop, coating workshop	2.02mg/m ³			0.084	Not approved by regulators	Not exceeded
Haiyang CIMC Raffles Offshore Ltd. ("Haiyang Raffles")	Particulate matter	Organised emission	4	Pre-treatment workshop, coating workshop	2.4mg/m ³	DB37/2376-2019 Regional and Integrated Emission Standard of Air Pollutants Table 1		0.025	Not approved by regulators	Not exceeded
	VOCs	Organised emission	3	Pre-treatment workshop, coating workshop	1.86mg/m ³		DB37/2801.5-2018 Emission Standard of Volatile Organic Compounds Part 5: Surface Coating Industry Table 2	0.024	Not approved by regulators	Not exceeded
	Xylene	Organised emission	3	Pre-treatment workshop, coating workshop	<0.0015mg/m ³			-	Not approved by regulators	Not exceeded
	Methylbenzene	Organised emission	3	Pre-treatment workshop, coating workshop	<0.0015mg/m ³			-	Not approved by regulators	Not exceeded
	Benzene	Organised emission	3	Pre-treatment workshop, coating workshop	<0.0015mg/m ³			-	Not approved by regulators	Not exceeded

Chapter VI Significant Events

Construction and operation of pollution prevention and control facilities

Yangzhou Tonglee Reefer
Container Co., Ltd.

Industrial sewage:

- ① There is no external emission of production wastewater;
- ② Domestic wastewater is filtered through one oil separator and six septic tanks respectively, and then centralized into municipal sewage treatment plant through the outlet of domestic wastewater. Currently, the facilities are in normal operation.

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 in compliance with standards;
- ② The total assembly 1# wire welding fume is discharged after treated by the fixed welding fume dedusting device; other welding fumes are discharged after treated by 28 mobile welding fume dedusting devices.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company establishes the dedicated hazardous waste warehouse for storing such waste and commissions qualified third party institutions for transportation and treatment. Currently, the facilities are in normal operation.

Yangzhou Runyang Logistic
Equipment Co., Ltd.

Industrial sewage:

- ① The wastewater treatment systems are upgraded in accordance with the requirements of "clean water and sewage diversion, rainwater and sewage diversion, separate collection, and quality-based treatment". The watertight test wastewater is recycled after sedimentation and filtration with no external emission. The remaining production wastewater is reused after being treated by the sewage treatment station in the plant with no external emission;
- ② 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.

Currently, all the said facilities are in normal operation.

Chapter VI Significant Events

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 A line and the special container B line 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 (water-based 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".

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company establishes the dedicated hazardous waste warehouse for storing such waste and commissions qualified third party institutions for transportation and treatment. Currently, the facilities are in normal operation.

Chapter VI Significant Events

Shenzhen Southern CIMC
Eastern Logistics
Equipment Manufacturing
Co., Ltd.

Industrial sewage:

The company has established industrial wastewater treatment facilities (1 set) with designed capacity of 450 t/d, and industrial wastewater is recycled after treatment in compliance with standards, with no external emission.

Currently, the plant has been discontinued, and the said facilities have ceased operation.

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;
- 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;
- 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.

The said types of industrial waste gas are emitted through the 15m-high exhaust pipes after treatment in compliance with standards. Currently, the plant has been discontinued, and the said facilities have ceased operation.

Hazardous waste:

The company establishes 2 dedicated hazardous waste warehouses and commissions qualified third party institutions for transportation and treatment. Currently, the plant has been discontinued, and such facilities store the hazardous waste properly and gradually treat such waste in compliance with regulations.

Chapter VI Significant Events

Dongguan Southern
CIMC Logistic Equipment
Manufacturing Co., Ltd.

Industrial sewage:

Industrial wastewater treatment facilities (1 set) with designed capacity of 200 t/d, and industrial wastewater is recycled after treatment in compliance with standards, with no external emission. Currently, the facilities are in normal operation.

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;
- 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;
- ③ The first phase of welding fume exhaust gas facilities (4 sets): electrostatic dust removal, with a treatment capacity of 244,000 m³/h;
- 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.

The said types of industrial waste gas are emitted through the 15m-high exhaust pipes after treatment in compliance with standards. Currently, all the said facilities are in normal operation.

Hazardous waste:

The company establishes 1 dedicated hazardous waste warehouse and commissions qualified third party institutions for transportation and treatment. Currently, the facilities are in normal operation.

Qingdao CIMC Special Reefer
Co., Ltd.

Industrial sewage:

Coating and painting wastewater treatment facilities (1 set) with capacity of 50 t/d; wastewater is reused after the treatment in compliance with standards, and the wastewater treatment will be commissioned to third parties in the later stage. The wastewater is not discharged to the external environment. Currently, the facilities are in normal operation.

Chapter VI Significant Events

Industrial exhaust:

- ① 1 set of VOCs activated carbon adsorption + RCO facilities with treatment capacity of 20,000 m³/h for pre-treatment, emission through 15m exhaust pipes after treatment in compliance with standards;
- ② 1 set of panel spray painting VOCs activated carbon adsorption + RCO facilities with treatment capacity of 60,000 m³/h, emission through 15m exhaust pipes after treatment in compliance with standards;
- ③ 1 set of primer spray painting VOCs activated carbon adsorption + RCO facilities with treatment capacity of 40,000 m³/h, emission through 15m exhaust pipes after treatment in compliance with standards;
- ④ 1 set of intermediate spray-painting VOCs activated carbon adsorption + RCO facilities with treatment capacity of 40,000 m³/h, emission through 15m exhaust pipes after treatment in compliance with standards;
- ⑤ 1 set of top spray-painting VOCs activated carbon adsorption + RCO facilities with treatment capacity of 40,000 m³/h, emission through 15m exhaust pipes after treatment in compliance with standards;
- ⑥ 1 set of drying waste gas VOCs direct CO catalytic combustion facilities, with treatment capacity of 6,000 m³/h, emission through 15m exhaust pipes after treatment in compliance with standards;
- ⑦ 1 set of small parts glue spray VOCs activated carbon adsorption + RCO facilities, with treatment capacity of 20,000 m³/h, emission through 15m exhaust pipes after treatment in compliance with standards;
- ⑧ 1 set of asphalt paint VOCs activated carbon adsorption + UV photolysis facilities, with treatment capacity of 20,000 m³/h, emission through 15m exhaust pipes after treatment in compliance with standards;
- ⑨ 3 sets of filter bags dust-removing facilities with treatment capacity of 20,000 m³/h for pre-treatment, emission through 15m exhaust pipes after treatment in compliance with standards;
- ⑩ 1 set of filter bags dust-removing facilities in container sanding with treatment capacity of 80,000 m³/h, emission through 15m exhaust pipes after treatment in compliance with standards;
- ⑪ 1 set of filter bags dust-removing facilities in container sandblasting with treatment capacity of 50,000 m³/h, emission through 15m exhaust pipes after treatment in compliance with standards;
- ⑫ 4 sets of filter bags dust-removing facilities in container zinc blasting with treatment capacity of 50,000 m³/h, emission through 15m exhaust pipes after treatment in compliance with standards;
- ⑬ 2 sets of filter bags dust-removing facilities for welding dust removal, with treatment capacity of 38,900 m³/h and 57,000 m³/h, emission through 15m exhaust pipes after treatment in compliance with standards.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company establishes the dedicated hazardous waste warehouse for storing such waste and commissions qualified third party institutions for transportation and treatment. Currently, the facilities are in normal operation.

Chapter VI Significant Events

Qingdao CIMC Reefer
Container Manufacture
Co., Ltd.

Industrial sewage:

Coating and painting wastewater treatment facilities (1 set) with capacity of 50t/d; wastewater is reused after the treatment in compliance with standards, and the wastewater treatment will be commissioned to third parties in the later stage. The wastewater is not discharged to the external environment. Currently, the facilities are in normal operation.

Industrial exhaust:

- ① 2 sets of VOCs activated carbon adsorption + RCO facilities with treatment capacity of 20,000 m³/h for pre-treatment, emission through 15m exhaust pipes after treatment in compliance with standards;
- ② 1 set of glue spray VOCs activated carbon adsorption + RCO facilities with treatment capacity of 80,000 m³/h, emission through 15m exhaust pipes after treatment in compliance with standards;
- ③ 1 set of chassis, T floor spray binder VOCs activated carbon adsorption + RCO facilities with treatment capacity of 60,000 m³/h, emission through 15m exhaust pipes after treatment in compliance with standards;
- ④ 1 set of painting VOCs activated carbon adsorption + RCO facilities with treatment capacity of 120,000 m³/h, emission through 15m exhaust pipes after treatment in compliance with standards;
- ⑤ 1 set of intermediary painting VOCs activated carbon adsorption + RCO facilities with treatment capacity of 120,000 m³/h, emission through 15m exhaust pipes after treatment in compliance with standards;
- ⑥ 1 set of container spray mark VOCs activated carbon adsorption + RCO facilities with treatment capacity of 70,000 m³/h, emission through 15m exhaust pipes after treatment in compliance with standards;
- ⑦ 1 set of asphalt paint VOCs activated carbon adsorption + UV photolysis facilities, with treatment capacity of 20,000 m³/h, emission through 15m exhaust pipes after treatment in compliance with standards;
- ⑧ 1 set of door panel binder VOCs activated carbon adsorption + RCO facilities with treatment capacity of 60,000 m³/h, emission through 15m exhaust pipes after treatment in compliance with standards;
- ⑨ 4 sets of filter bags dust-removing facilities with treatment capacity of 20,000 m³/h for pre-treatment, emission through 15m exhaust pipes after treatment in compliance with standards;
- ⑩ 3 sets of filter bags dust-removing facilities in container sandblasting with treatment capacity of 80,000 m³/h, emission through 15m exhaust pipes after treatment in compliance with standards;
- ⑪ 1 set of filter bags dust-removing facilities in container sandblasting with treatment capacity of 50,000 m³/h, emission through 15m exhaust pipes after treatment in compliance with standards;
- ⑫ 4 sets of filter bags dust-removing facilities in container zinc blasting with treatment capacity of 55,000 m³/h, emission through 15m exhaust pipes after treatment in compliance with standards;
- ⑬ 2 sets of filter bags dust-removing facilities in chassis welding with treatment capacity of 30,000 m³/h and 40,000 m³/h, emission through 15m exhaust pipes after treatment in compliance with standards;
- ⑭ 1 set of filter bags dust-removing facilities in door panel sandblasting with treatment capacity of 12,000 m³/h, emission through 15m exhaust pipes after treatment in compliance with standards.

Currently, all the said facilities are in normal operation.

Chapter VI Significant Events

Guangdong Xinhui CIMC
Special Transportation
Equipment Co., Ltd.

Hazardous waste:

The company establishes the dedicated hazardous waste warehouse for storing such waste and commissions qualified third party institutions for transportation and treatment. Currently, the facilities are in normal operation.

Industrial sewage:

- ① Domestic sewage is treated by the sewage treatment station of CIMC Park;
- ② Industrial sewage is recycled after treatment with no external emission.

Currently, the facilities are in normal operation.

Industrial exhaust:

- ① 2 sets of pre-treatment organic waste gas dry (wet) painting mist removal + zeolite runner adsorption + catalytic oxidation facilities, with treatment capacity of 100,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- ② 1 set of C-line organic waste gas spray + dry filter cotton + activated carbon adsorption facilities, with treatment capacity of 100,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- ③ 4 sets of B-line organic waste gas + spray tower + filter cotton filtration + multiphase catalytic oxidation, with treatment capacity of 710,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- ④ 13 sets of sanding dust (particulate matter) control facilities: bag dust collectors + water spray, with a treatment capacity of 597,987 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- ⑤ Welding fume treatment facilities (12 sets), with a treatment capacity of 339,390 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.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company establishes the dedicated hazardous waste warehouse for storing such waste and commissions qualified third party institutions for transportation and treatment. Currently, the facilities are in normal operation.

Chapter VI Significant Events

Xinhui CIMC Container Co., Ltd.

Industrial sewage:

- ① 1 set of industrial sewage treatment facilities with a treatment capacity of 1,200 t/d; wastewater is recycled after the treatment, with no external emission;
- ② 1 set of domestic sewage treatment facilities 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 inner river in the northwest of the factory area after treatment in compliance with standards.

Currently, all the said facilities are in normal operation.

Industrial exhaust:

- ① The VOCs exhaust gas is passed through water spray + 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 (1 set): cyclone dust collectors + bag dust collectors, with a treatment capacity of 36,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- ④ 14 sets of welding fume treatment facilities with a treatment capacity of 380,582 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.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company establishes the dedicated hazardous waste warehouse for storing such waste and commissions qualified third party institutions for transportation and treatment. Currently, the facilities are in normal operation.

Chapter VI Significant Events

Qingdao CIMC Container
Manufacture Co., Ltd.

Industrial sewage:

1 set of industrial sewage treatment facilities, with a treatment capacity of 120 t/d. Most of the wastewater is reused after the treatment, and a small part of the wastewater is discharged and incorporated into the sewage collection pipes after standard treatment. Currently, the facilities are in normal operation.

Industrial exhaust:

- ① 1 set of pre-treatment painting VOCs "RTO" facilities, with treatment capacity of 35,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- ② 3 sets of container painting line VOCs "activated carbon adsorption/desorption + catalytic combustion", with treatment capacity of 120,000 m³/h (1 set), 140,000 m³/h (2 sets), emission through exhaust pipes after treatment in compliance with standards;
- ③ 1 set of container painting line VOCs "molecular sieve adsorption/desorption + catalytic combustion", with treatment capacity of 140,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- ④ 1 set of container painting line VOCs "activated carbon adsorption/desorption + catalytic combustion", with treatment capacity of 120,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- ⑤ 4 sets of pre-treatment sanding line particulate matter emission "cyclone filter barrel dust collector + water curtain dust collector" facilities, with treatment capacity of 30,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- ⑥ 2 sets of pre-treatment sanding line particulate matter emission "cyclone filter barrel dust collector" facilities, with treatment capacity of 30,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- ⑦ 4 sets of container sanding line particulate matter emission "cyclone filter barrel dust collector + water curtain dust collector" facilities, with treatment capacity of 30,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- ⑧ 1 set of container sanding line particulate matter emission "cyclone filter barrel dust collector" facilities, with treatment capacity of 30,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- ⑨ 1 set of special container sanding line particulate matter emission "cyclone filter barrel dust collector" facilities, with treatment capacity of 30,000 m³/h, emission through exhaust pipes after treatment in compliance with standards.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company establishes the dedicated hazardous waste warehouse for storing such waste and commissions qualified third party institutions for transportation and treatment. Currently, the facilities are in normal operation.

Chapter VI Significant Events

Zhangzhou CIMC Container Co., Ltd.

Industrial sewage:

1 set of painting wastewater treatment facilities, with a treatment capacity of 20 t/d. Wastewater is reused after the treatment in compliance with standards, with no external emission. Currently, the facilities are in normal operation.

Industrial exhaust:

- ① 4 sets of pre-treatment first sanding line particulate matter "cyclone filter barrel dust collector" facilities, with treatment capacity of 100,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- ② 3 sets of pre-treatment painting line VOCs "photolysis + activated carbon adsorption" facilities, with treatment capacity of 15,000 m³/h each, emission through exhaust pipes after treatment in compliance with standards;
- ③ 3 sets of container second sanding line particulate matter "cyclone filter barrel dust collector" facilities, with treatment capacity of 100,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- ④ 3 sets of container painting line VOCs "Venturi spray tower" facilities, with treatment capacity of ten-thousand 55,000m³/h each, emission through exhaust pipes after treatment in compliance with standards;
- ⑤ 1 set of special container second sanding line particulate matter "cyclone filter barrel dust collector" facilities, with treatment capacity of 100,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- ⑥ 1 set of special container painting line VOCs "Venturi spray tower + activated carbon adsorption" facilities, with treatment capacity of ten-thousand 25,000 m³/h each, emission through exhaust pipes after treatment in compliance with standards.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company establishes the dedicated hazardous waste warehouse for storing such waste and commissions qualified third party institutions for transportation and treatment. Currently, the facilities are in normal operation.

Chapter VI Significant Events

Tianjin CIMC Containers
Co., Ltd.

Industrial sewage:

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

Currently, the facilities are in normal operation.

Industrial exhaust:

- ① Thick plate pre-treatment line VOCs control facilities (1 set): "zeolite runner adsorption concentration + 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 line 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 line 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.

Currently, the facilities are in normal operation.

Hazardous waste:

The company establishes the dedicated hazardous waste warehouse for storing such waste and commissions qualified third party institutions for transportation and treatment. Currently, the facilities are in normal operation.

Chapter VI Significant Events

Ningbo CIMC Logistics
Equipment Co., Ltd.

Industrial 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. Currently, the facilities are in normal operation.

Industrial exhaust:

- ① Coating line water spray organic waste gas treatment facilities (7 sets), with a treatment capacity of 675,000 m³/h;
- ② Pre-treatment sanding dust-removing filters (9 sets), with a treatment capacity of 270,000 m³/h;
- ③ Full container sanding dust-removing filters (8 sets), with a treatment capacity of 160,000 m³/h;
- ④ Welding fumes dust-removing filters (34 sets), with a treatment capacity of 720,000 m³/h;
- ⑤ Zeolite runner + RTO facilities (1 set), with a treatment capacity of 60,000 m³/h;
- ⑥ Spray mark waste gas treatment facilities (1 set), with a treatment capacity of 50,000 m³/h.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company establishes the dedicated hazardous waste warehouse for storing such waste and commissions qualified third party institutions for transportation and treatment. Currently, the facilities are in normal operation.

Taicang CIMC Containers
Co., Ltd.

Industrial sewage:

Painting wastewater treatment facilities (1 set, shared by standard container and special container), with a treatment capacity of 80 t/d; the wastewater is recycled after treatment in compliance with standards, with no external emission. Currently, the facilities are in normal operation.

Industrial exhaust:

- ① Painting line water rotary spray + filter cotton + activated carbon adsorption device (3 sets), with treatment capacity of 120,000 m³/h each, emission through exhaust pipes after treatment in compliance with standards;
- ② Welding line filter dust removal facilities (4 sets); the total installed capacity is 15,000 m³/h, with the rear treatment capacity being 47,000 m³/h, the chassis treatment capacity being 31,000 m³/h, and the side panel treatment capacity being 21,000 m³/h, emission through exhaust pipes after treatment in compliance with standards;
- ③ Pre-treatment multi-tube cyclone + filter dust removal (1 set), with treatment capacity of 40,000 m³/h, emission through exhaust pipes after treatment in compliance with standards.

Currently, all the said facilities are in normal operation.

Chapter VI Significant Events

	<p>Hazardous waste: The company establishes the dedicated hazardous waste warehouse (shared by standard container and special container) for storing such waste and commissions qualified third party institutions for transportation and treatment. Currently, the facilities are in normal operation.</p>
<p>Nantong CIMC Special Transportation Equipment Manufacture Co., Ltd.</p>	<p>Industrial sewage: waste water treatment facilities (1 set) with capacity of 600 t/d; the wastewater is discharged to the municipal sewage network after the treatment in compliance with standards. Currently, the facilities are in normal operation.</p>
	<p>Industrial exhaust:</p> <ul style="list-style-type: none"> ① 1 set of pre-treatment line VOCs activated carbon adsorption + desorption facilities, with treatment capacity of 80,000 m³/h; ② 1 set of Nante Line VOCs activated carbon adsorption, desorption and catalytic combustion facilities, with treatment capacity of 100,000 m³/h; 3 sets of VOCs activated carbon adsorption and desorption facilities, with treatment capacity of 160,000 m³/h + 160,000 m³/h + 40,000 m³/h; ③ 1 set of Shunda Line VOCs zeolite runner + RTO combustion facilities, with treatment capacity of 330,000 m³/h; ④ 4 sets of sanding dust-removing filter with treatment capacity of (33,000 *4) m³/h for pre-treatment particulate matter treatment; ⑤ For Nante Line particulate matter treatment, 3 sets of full container sanding dust-removing filter with treatment capacity of (50,000 *2) m³/h; 2 sets of welding dust-removing filter, with treatment capacity of (85,000 *2) m³/h; ⑥ For Shunda Line particulate matter treatment, 1 set of full container sanding dust-removing filter with treatment capacity of 80,000 m³/h; 1 set of welding dust-removing filter, with treatment capacity of 30,000 m³/h. <p>Currently, all the said facilities are in normal operation.</p>
	<p>Hazardous waste: The company establishes the dedicated hazardous waste warehouse for storing such waste and commissions qualified third party institutions for transportation and treatment. Currently, the facilities are in normal operation.</p>
<p>Shanghai CIMC Baowell Industries Co. Ltd.</p>	<p>Industrial sewage: Industrial wastewater treatment facilities (1 set) with treatment capacity of 30 t/d; the wastewater is recycled after treatment in compliance with standards, with no external emission. Currently, the facilities are in normal operation.</p>

Chapter VI Significant Events

Industrial exhaust:

- ① Pre-treatment VOCs exhaust RTO facilities (1 set), with a treatment capacity of 36,000 m³/h, emission through 16.5m-height 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 20m-height 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 20m-height 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 20m-height exhaust pipes after treatment in compliance with standards;
- ⑤ Pre-treatment dust-removing filters (5 sets), with a treatment capacity of 149,000 m³/h, emission through three 15m-height 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 one 15m-height and one 16m-height 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 15m exhaust pipes after treatment in compliance with standards.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company establishes the dedicated hazardous waste warehouse for storing such waste and commissions qualified third party institutions for transportation and treatment. Currently, the facilities are in normal operation.

Shanghai CIMC Yangshan
Logistics Equipments
Co., Ltd.

Industrial sewage:

Industrial sewage treatment facility (1 set) with treatment capacity of 100 t/d; the wastewater is recycled after treatment in compliance with standards, with no external emission. Currently, the facilities are in normal operation.

Industrial sewage:

- ① Waste gas treatment 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 30m exhaust pipes after treatment in compliance with standards;
- ② Pre-treatment dust control facility (5 sets, in normal operation): organised emission, 1 outlet (combined);
- ③ Second-time sanding dust control facility (3 sets, in normal operation): organised emission, 3 outlets.

Currently, all the said facilities are in normal operation.

Chapter VI Significant Events

CIMC Taicang Refrigeration
Equipment Logistics
Co., Ltd.

Hazardous waste:

The company establishes the hazardous waste warehouse for storing such waste and commissions qualified third party institutions for transportation and treatment. Currently, the facilities are in normal operation.

Industrial sewage:

The wastewater treatment facilities have been built, being 1 set of grid and sedimentation tank chlorinated salt used for flocculation and sedimentation treatment facilities, with a treatment capacity of 45 m³/d. The wastewater generated by the water mist spray device is recycled and reused after treatment, with no external emission. Currently, all the said facilities are in normal operation.

Industrial exhaust:

- ① Cyclone dust removal + bag dust 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;
- ② Bag dust collectors (2 sets), with a treatment capacity of 20,000 m³/h;
- ③ Water curtain spray + filter cotton + bag dust collectors + secondary activated carbon adsorption (activated carbon supporting catalytic combustion device) (2 sets), with a treatment capacity of 40,000 m³/h (1 set) and 30,000 m³/h (1 set), respectively;
- ④ Cyclone tower + multi-layer filtration + zeolite runner + RTO device (1 set), with a treatment capacity of 130,000 m³/h;
- ⑤ Bag dust collectors + paint mist filter + molecular sieve rotor concentration + endothermic catalytic combustion device (1 set), with a treatment capacity of 60,000 m³/h;
- 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 (2 sets), 30,000 m³/h (1 set) and 16,000 m³/h (1 set), respectively.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company establishes the dedicated hazardous waste warehouse for storing such waste and commissions qualified third party institutions for transportation and treatment. Currently, the facilities are in normal operation.

Chapter VI Significant Events

Taicang CIMC Special Logistics Equipment Co. Ltd.

Industrial sewage:

1 set of painting wastewater treatment facilities (shared by standard container and special container), with a treatment capacity of 80 t/d; the wastewater is recycled after treatment in compliance with standards, with no external emission. Currently, the facilities are in normal operation.

Industrial exhaust:

- ① The coating line has 4 sets of water rotary spray + filter cotton + activated carbon adsorption devices; the capacity of primer paint pre-painting room and spraying room is 70,000 m³/h; the capacity of intermediary paint pre-painted room and spraying room is 115,000 m³/h; the capacity of exterior paint pre-painting room and drying room is 61,000 m³/h; the capacity of exterior paint spraying room and dividing line room is 90,000 m³/h; emission through exhaust pipes after treatment in compliance with standards;
- ② There are 3 sets of filter dust removal for the welding line, 1# dust collector capacity: 22,000 m³/h; 2# dust collector capacity: 16,000 m³/h; 3# dust collector capacity: 35,000 m³/h; emission through exhaust pipes after treatment in compliance with standards;
- ③ Pre-treatment: 3 sets of multi-tube cyclone + filter dust removal, with treatment capacity of 40,000 m³/h each, emission through exhaust pipes after treatment in compliance with standards;
- ④ Pre-treatment: 1 set of water curtain + filter cotton + molecular sieve + RTO, with treatment capacity of 60,000 m³/h; emission through exhaust pipes after treatment in compliance with standards.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company establishes the dedicated hazardous waste warehouse (shared by standard container and special container) for storing such waste and commissions qualified third party institutions for transportation and treatment. Currently, the facilities are in normal operation.

Chapter VI Significant Events

Yangzhou CIMC Tong Hua
Special Vehicles Co., Ltd.

Industrial sewage:

1 set of sewage treatment facilities, with the maximum capacity of treating wastewater with phosphorus and heavy metal being 4.5 m³/h and the maximum capacity of treating wastewater without phosphorus and heavy metal being 8 m³/h. Wastewater with phosphorus and heavy metal is pre-treated by secondary coagulation-sedimentation; wastewater without phosphorus and heavy metal is pre-treated by coagulation-sedimentation + flotation. Pre-treated industrial wastewater and domestic sewage is discharged to the municipal network after the anaerobic process + aerobic process + membrane bioreactor (MBR) treatment in compliance with pipe incorporation standards. Currently, the facilities are in normal operation.

Industrial exhaust:

- ① 6 sets of sanding waste gas dust removal facilities, with cyclone dust removal + filter barrel dust removal process; the air speed at the inlet of cyclone dust collector is 18-22 m/s; the air speed of filter barrel dust collector is 0.85 m/min; the filtration precision is 5-10 μm;
- ② 2 sets of painting waste gas activated carbon adsorption + catalytic combustion facilities, adopting the activated carbon adsorption + catalytic combustion process, with the designed air volume of 120,000 m³/h;
- ③ 32 sets of dust removal devices for welding waste gas treatment, adopting the mobile welding dust removal device to treat welding and polishing;
- ④ 2 sets of canteen fume purification devices, adopting the fume purification device to treat the canteen fume;
- ⑤ 1 set of phosphorus waste gas purification device, adopting the waste gas washing tower, with the air volume of 25,000 m³/h, filtration speed of 1.8-2 m/s and efficiency of 95%;
- ⑥ 1 set of electro-coating waste gas purification device, emitting the waste gas collected by the suction hood after the treatment of waste gas washing tower, with the capacity of 25,000 m³/h, filtration speed of 1.8-2 m/s and efficiency of 90%;
- ⑦ 1 set of electro-drying waste gas catalytic combustion device, adopting the catalytic combustion process, with the designed capacity of 4,000Nm³/h;
- ⑧ 1 set of powder solidification waste gas filter cotton + activated carbon adsorption device, adopting the filter cotton + activated carbon adsorption process, with the filtration area of the filter cotton filtration system being 4.4 m² and the thickness of 50 mm, the filtration area of activated carbon adsorption being 204.4 m² and the filter layer of 200 mm.

Currently, all the said facilities are in normal operation.

Chapter VI Significant Events

Zhumadian CIMC Huajun
Casting Co. Ltd.

Hazardous waste:

The company has built 1 hazardous waste temporary storeroom in accordance with requirements of the Standard for Pollution Control on Hazardous Waste Storage (GB18597-2001), with the floor hardened and treated to prevent any infiltration and cofferdams established to avoid any leakage. The warehouse adopts separate storage measures for different categories of hazardous waste and sets classification labels. Currently, the facilities are in normal operation.

Industrial sewage:

Industrial wastewater is recycled, with no external emission. Domestic sewage is discharged to Zhumadian Second Wastewater Treatment Plant after the treatment of sedimentation tank. Currently, the facilities are in normal operation.

Industrial exhaust:

- ① 2 sets waste gas dust removal device in the smelting area, with designed capacity of 90,000 m³/h each, adopting the bag dust collecting process;
- ② 2 sets waste gas dust removal device in the shot blasting area, with designed capacity of 45,800 m³/h each, adopting the bag dust collecting process;
- ③ 2 sets waste gas treatment device in the painting area, with designed capacity of 20,000 m³/h each, adopting the activated carbon adsorption process.

Currently, the total of 6 waste gas treatment facilities stated above are in normal operation.

Hazardous waste:

The company establishes 1 hazardous waste warehouse, with the floor hardened and treated to prevent leakage and hazardous waste stored by category. Currently, the facilities are in normal operation.

Chapter VI Significant Events

Zhumadian CIMC Huajun
Vehicle Co., Ltd.

Industrial sewage:

- ① 1 set of phosphorus-containing inorganic wastewater treatment system, adopting reactive precipitation + TMF + RO + flocculation reaction + secondary biochemical treatment. The treated water is returned to the phosphating washing tank, and the treatment capacity is 4.5 m³/h;
- ② 1 set of non-phosphorus organic wastewater treatment system, adopting reactive precipitation + flotation + biochemical treatment + MBR + RO + flocculation reaction + secondary biochemical treatment. Part of the treated water is returned to the phosphating washing tank; a small part of the treated water is discharged to the wastewater treatment plant through the municipal network; the treatment capacity is 9 m³/h;
- ③ Domestic sewage is discharged to the municipal network after treated by the septic tank.

Currently, all the said facilities are in normal operation.

Industrial exhaust:

- ① 3 sets of plasma gas cutting dust collection and treatment facilities, each with capacity of 6,000 m³/h; 10 sets of robotic welding fume collection and treatment facilities, each with capacity of 5,000 m³/h; 1 set of frame line welding fume collection and treatment facilities, with capacity of 8,000 m³/h; 1 set of lifting welding robot welding fume collection and treatment facilities, with capacity of 8,000 m³/h; 2 sets of carving and trimming line robot welding fume collection and treatment facilities, each with capacity of 10,000 m³/h; adopting the filter cartridge dust removal process;
- ② 8 sets of sanding dust collection and treatment facilities, each with capacity of 80,000m³/h, adopting the bag dust collecting process;
- ③ 1 set of electrophoresis tank organic waste gas collection and treatment facilities, with capacity of 35,000 m³/h, adopting the activated carbon adsorption process;
- ④ 1 set of electro-drying organic waste gas catalytic combustion treatment facilities, with capacity of 10,000 m³/h, adopting the catalytic combustion process;
- ⑤ 1 set of powder coating waste gas collection and treatment facilities, with capacity of 30,000 m³/h, adopting the UV photo-oxidation + activated carbon adsorption process;
- ⑥ 7 sets of manual painting waste gas catalytic combustion facilities, each with capacity of 170,000 m³/h, adopting the activated carbon adsorption + catalytic combustion desorption process;
- ⑦ 4 sets of manual painting washing + activated carbon adsorption treatment facilities, each with capacity of 150,000 m³/h, adopting the washing + activated carbon adsorption process.

Currently, all the said facilities are in normal operation.

Chapter VI Significant Events

Liangshan CIMC Dongyue
Vehicle Co., Ltd.

Hazardous waste:

The company builds 2 hazardous waste warehouses, with a closed and wind, rain and sun-proof space. The warehouse is managed under the dual administrator and lock system; the floor has been hardened and treated to prevent any infiltration; cofferdams are established to avoid any leakage. The warehouse sets waste liquid collection measures in place; hazardous waste is stored properly in intact packaging and by category. Currently, the facilities are in normal operation.

Industrial exhaust:

- ① 1 set of spraying wastewater treatment facility, with the capacity of 9.6 m³/d; the spraying wastewater adopts the flotation + Fenton reagent flocculation reaction + sedimentation + filtration process, and is recycled and replenished on a regular basis, with no external emission;
- ② 2 sets of domestic sewage treatment facilities, with capacity of 2.6 m³/d; domestic sewage adopts the hydrolyze acidification + SBR + oxidization removal + sand filtration + disinfection process, is used in greening work, with no external emission.

Currently, all the said facilities are in normal operation.

Industrial exhaust:

1 set of catalytic combustion facilities, with the designed capacity of 200,000 m³/h, adopting the "water rotation + filter cotton filtration + activated carbon adsorption + catalytic combustion" process. The waste gas is emitted after the treatment in compliance with standards. Currently, the facilities are in normal operation.

Hazardous waste:

The company has built the hazardous waste temporary storeroom in accordance with requirements of the Standard for Pollution Control on Hazardous Waste Storage (GB18597-2001), with the floor hardened and treated to prevent any infiltration and cofferdams established to avoid any leakage. The warehouse adopts separate storage measures for different categories of hazardous waste and sets classification labels. Currently, the facilities are in normal operation.

Qingdao CIMC Eco-
Equipment Co., Ltd.

Industrial sewage:

- ① 1 set of painting pre-treatment wastewater treatment facilities, with capacity of 40 t/d, adopting the wastewater tank – reaction tank – sedimentation tank – reverse neutralization – intermediary adjusting tank – biological aeration – deep precipitation – filtration intermediary tank – activated carbon filtration – sludge tank – pressure filter; the wastewater is reused internally, with no external emission;
- ② Domestic sewage is discharged to the municipal network after pre-treated by the septic tank.

Currently, all the said facilities are in normal operation.

Chapter VI Significant Events

Industrial exhaust:

- ① 1 set of painting waste gas activated carbon + catalytic combustion facilities, with the designed capacity of 100,000 m³/h, adopting the activated carbon adsorption + catalytic combustion process, painting waste gas to be emitted after the treatment in compliance with standards;
- ② 1 set of painting workshop putty sanding waste gas treatment facilities, with the designed capacity of 30,000 m³/h, puttying waste gas to be emitted after treated by the filter cartridge dust collector in compliance with standards;
- ③ 1 set of dust collection device equipped to the laser cutting machine of blanking workshop;
- ④ 17 sets of mobile dust collection devices equipped to the welding workshop, each with designed capacity of 4,000 m³/h.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company has built the hazardous waste temporary storeroom, with the floor of the hazardous waste storage area hardened and treated to prevent any infiltration and cofferdams established to avoid any leakage. The storeroom adopts separate storage measures for different categories of hazardous waste and sets classification labels. Currently, the facilities are in normal operation.

CIMC -SHAC (Xi'An) Special Vehicle Co., Ltd.

Industrial sewage:

- ① 1 set of industrial sewage treatment facilities, adopting the microelectrolysis + flotation + precipitation reverse osmosis + adsorption filtration process. The maximum capacity is 60 T/d; the wastewater to be adopted by painted items of the painting line will be reused after the treatment, with no external emission;
- ② 1 set of domestic sewage treatment facilities, adopting the A/O+MBR integrated treatment; domestic wastewater is discharged to the municipal wastewater treatment plant after initial treatment.

Currently, all the said facilities are in normal operation.

Industrial exhaust:

- ① 4 set of machine waste gas deep treatment facilities, adopting the dry paint mist filter + activated carbon adsorption concentration + hot air desorption catalytic combustion process, each with the designed capacity of 100,000 m³/h;
- ② 1 set of welding dust removal facilities, with the designed capacity of 24,000 m³/h, adopting the filter cartridge dust removal process;
- ③ 1 set of sanding dust removal facilities, with the designed capacity of 20,000 m³/h.

Currently, all the said facilities are in normal operation.

Chapter VI Significant Events

Wuhu CIMC Ruijiang
Automobile Co., Ltd.

Hazardous waste:

The company builds a hazardous waste warehouse, with the floor hardened and treated to prevent infiltration and setting oil drip pan on the floor. The warehouse adopts separate storage measures for different categories of hazardous waste and sets classification labels.

Industrial sewage:

- ① 1 set of acid washing wastewater treatment facilities, with the capacity of 33 t/d, adopting the "adjusting + neutralization + reaction + high-efficiency sedimentation" process. After the treatment, the reclaimed water meets the Class 3 discharge standard of the Integrated Wastewater Discharge Standard (GB8678-1996) and is discharged to Chengnan Wastewater Treatment Plant through the municipal network;
- ② 1 wastewater pretreatment station, with the capacity of 100 m³/d, adopting the "reaction + high-efficiency sedimentation + flotation + hydrolyze acidification + contact oxidation + precipitation" process. After the treatment, the water meets the Class 3 discharge standard of the Integrated Wastewater Discharge Standard (GB8978-1996) and is discharged to the integrated wastewater treatment station of the plant;
- ③ 1 integrated wastewater treatment station, with capacity of 300 t/d. The industrial wastewater is treated by "microelectrolysis + flotation", and then, together with domestic sewage, treated by "anaerobic process + aerobic process + sedimentation + adsorptive precipitation". After the treatment, the water meets the Class 3 discharge standard of the Integrated Wastewater Discharge Standard (GB8978-1996) and is discharged to Chengnan Wastewater Treatment Plant through the municipal network.

Currently, all the said facilities are in normal operation.

Industrial exhaust:

- ① 6 sets of VOCs treatment facilities, 3 sets with the designed capacity of 100,000 m³/h, 2 sets with the designed capacity of 80,000 m³/h, 1 set with the designed capacity of 40,000 m³/h, adopting the "spray + UV photocatalytic + activated carbon adsorption" process;
- ② 1 set of powder solidification waste gas treatment facilities, with the designed capacity of 5,000 m³/h, adopting the "activated carbon adsorption" process;
- ③ 10 sets of stationary welding fume treatment facilities, with the designed capacity of 4,500 m³/h, adopting the "filter cartridge dust removal" process;
- ④ 1 set of acid washing waste gas treatment facilities, with the designed capacity of 3,500 m³/h, adopting the "alkaline absorption" process;
- ⑤ 3 sets of sandblasting waste gas treatment facilities, with capacity of 1,638 m³/h, adopting the "filter cartridge dust removal" process.

Currently, all the said facilities are in normal operation.

Chapter VI Significant Events

CIMC Vehicles (Shandong)
Co., Ltd.

Hazardous waste:

The company has built 1 hazardous waste temporary storeroom in accordance with requirements of the Standard for Pollution Control on Hazardous Waste Storage (GB18597-2001), with the floor hardened and treated to prevent any infiltration and cofferdams established to avoid any leakage. The warehouse adopts separate storage measures for different categories of hazardous waste and sets classification labels. Currently, the facilities are in normal operation.

Industrial sewage:

- ① 2 sets of wastewater treatment systems: industrial wastewater treatment station and domestic sewage treatment station;
- ② The industrial wastewater treatment station has a capacity of 2.1 m³/h, adopts the "electrooxidation + flotation + biochemical reaction + sedimentation + sand filtration" process. After the treatment, the wastewater that meet the reclaimed water standards will be reused in the water rotation process of the painting line, with no external emission;
- ③ The domestic sewage treatment station has a capacity of 2.5 m³/h, adopts the process of "combining the physical and biochemical procedures, with the biochemical as the primary force". After the treatment, the wastewater that meets the Grade-A standard of the Wastewater Quality Standard for Discharge to Municipal Sewers (GB/T31962-2015) is discharged to the municipal network, and ultimately treated deeply by Everbright Water (Zhangqiu) Operating Limited.

Currently, all the said facilities are in normal operation.

Industrial exhaust:

- ① 2 sets of catalytic combustion facilities, with the designed capacity of 60,000 m³/h and 80,000 m³/h respectively, adopting the activated carbon adsorption + catalytic combustion process;
- ② 2 sets of UV photocatalytic purification facilities, with the designed capacity of 60,000 m³/h and 20,000 m³/h, adopting the UV photocatalytic purification process;
- ③ 2 sets of filter cartridge dust removal facilities, with the designed capacity of 10,000 m³/h and 1,500 m³/h, adopting the filter cartridge filtration process;
- ④ 2 sets of low-nitrogen combustion facilities, with the rated power of 0.7MW and 1.4MW, adopting the low-nitrogen combustion process;
- ⑤ 2 sets of drying waste gas treatment facilities, with the rated power of 0.75MW and 0.75MW, adopting the direct combustion process.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company has built 1 hazardous waste temporary storeroom in accordance with requirements of the Standard for Pollution Control on Hazardous Waste Storage (GB18597-2001), with the floor hardened and treated to prevent any infiltration and cofferdams established to avoid any leakage. The warehouse adopts separate storage measures for different categories of hazardous waste and sets classification labels. Currently, the facilities are in normal operation.

Chapter VI Significant Events

Luoyang CIMC Lingyu
Automobile Co., Ltd.

Industrial sewage:

- ① 1 set of industrial wastewater treatment facilities, with capacity of 50 m³/d, adopting the "coagulation-sedimentation + hydrolyze acidification + bio-contact oxidation" process. After the treatment, the wastewater meets the Class 3 standard in Table 4 of Integrated Wastewater Discharge Standard and is discharged to the wastewater treatment station of the whole plant;
- ② 1 set of wastewater treatment facilities for the whole plant, with the capacity of 200 m³/d, adopting the "hydrolyze acidification + bio-contact oxidation" process. After the treatment, the wastewater meets the Class 3 standard in Table 4 of Integrated Wastewater Discharge Standard and is discharged to the city's wastewater treatment plant through the municipal network.

Currently, all the said facilities are in normal operation.

Industrial exhaust:

- ① 3 sets of painting, drying VOCs waste gas treatment facilities, with the designed capacity of 136,000 m³/h, 146,000 m³/h and 140,000 m³/h respectively, adopting the "activated carbon adsorption/desorption + catalytic combustion" process;
- ② 2 sets of dust removal facilities for the manual sandblasting room, with the designed capacity of 22,206 m³/h and 30,000 m³/h, adopting the bag dust collecting process;
- ③ 1 set of polishing room dust removal facilities, with the designed capacity of 136,000 m³/h, adopting the filter cartridge dust removal process;
- ④ 3 sets of numerical-controlled cutting fume and dust removal facilities, with the designed capacity of 6,290 m³/h, adopting the filter cartridge dust removal process;
- ⑤ 4 sets of semi-trailer workshop welding fume and dust removal facilities, 1 set with the designed capacity of 6,290 m³/h, 3 sets with the designed capacity of 15,000 m³/h, adopting the filter cartridge dust removal process;
- ⑥ 8 sets of tank workshop welding fume and dust removal facilities, with the designed capacity of 15,000 m³/h, adopting the filter cartridge dust removal process;
- ⑦ 4 sets of mixing workshop welding fume and dust removal facilities, 2 sets with the designed capacity of 30,000 m³/h, 2 sets with the designed capacity of 24,000 m³/h, adopting the filter cartridge dust removal process;

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company builds 1 hazardous waste temporary storeroom, with the floor hardened and treated to prevent infiltration, different categories of hazardous waste stored in separate areas and classification labels in place. Currently, the facilities are in normal operation.

Chapter VI Significant Events

Shenzhen CIMC Special Vehicle Co., Ltd.

Industrial sewage:

- ① 1 set of wastewater silane pre-treatment system, with the capacity of 40 t/d, adopting the integrated treatment facilities of "sedimentation + flotation + A/O biochemical process + RO filtration + evaporation". After the treatment, the reclaimed water is reused when meeting the limit set out in Standard III of Environmental Quality Standard for Surface Water (GB3838-2002) or the limit set out in the washing water standard of the Reuse of Urban Recycling Water - Water Quality Standard for Industrial Uses, which is stricter, to be used in the pre-treatment process of the coating workshop, with no external emission;
- ② Domestic sewage is discharged to Shangyang Wastewater Treatment Plant through the municipal network after sedimentation through the septic tank.

Currently, all the said facilities are in normal operation.

Industrial exhaust:

- ① 3 sets of welding fume treatment facilities, with the designed capacity of 50,000 m³/h, adopting the electrostatic adsorption process;
- ② 1 set of sanding dust collection and treatment facilities, with the designed capacity of 72,000 m³/h, adopting the cyclone + filter cartridge dust removal process;
- ③ 1 set of powder drying waste gas catalytic combustion facilities, with the designed capacity of 44,000 m³/h, adopting the activated carbon adsorption + catalytic combustion process;
- ④ 1 set of powder drying waste gas adsorption facilities, with the designed capacity of 3,000 m³/h, adopting the activated carbon adsorption process;
- ⑤ 1 set of powder drying waste gas adsorption facilities, with the designed capacity of 15,000 m³/h, adopting the activated carbon adsorption process.

Currently, facilities 1 to 4 are in normal operation, facility 5 is out of service.

Hazardous waste:

The company has built 1 hazardous waste temporary storeroom in accordance with requirements of the Standard for Pollution Control on Hazardous Waste Storage (GB18597-2001), with the floor hardened and treated to prevent any infiltration, collection ditches and waste liquid collection tank established around and outside the warehouse to avoid any leakage. The warehouse adopts different storage measures for different categories of hazardous waste and sets classification labels. Currently, the facilities are in normal operation.

Chapter VI Significant Events

Qingdao CIMC Special
Vehicle Co., Ltd.

Industrial sewage:

- ① 1 set of painting wastewater treatment facilities, with the capacity of 40 t/d. After the flocculation precipitation, the wastewater is reused in the water rotation of the painting room, with no external emission;
- ② Domestic sewage is discharged to Lianwanhe Water Purification Plant through the municipal network after pre-treated by the septic tank.

Currently, all the said facilities are in normal operation.

Industrial exhaust:

- ① 2 sets of zeolite runner + catalytic oxidation facilities for the painting line, each with the designed capacity of 60,000 m³/h, adopting the zeolite runner + catalytic oxidation process, with the painting waste gas to be emitted after meeting relevant standards;
- ② 3 sets of filter cartridge dust removal facilities for the painting line, each with the designed capacity of 20,000 m³/h, with the sanding, OK station, pre-treatment particulate matter to be emitted when meeting the standards after the treatment of dust collector;
- ③ 1 set of fume collection facilities equipped to the laser cutting machine of the blanking workshop;
- ④ 21 sets of mobile fume collection facilities equipped to the welding workshop, each with the designed capacity of 4,000 m³/h.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company has built the hazardous waste temporary storeroom in accordance with requirements of the Standard for Pollution Control on Hazardous Waste Storage (GB18597-2001), with the floor hardened and treated to prevent any infiltration and cofferdams established to avoid any leakage. The warehouse adopts separate storage measures for different categories of hazardous waste and sets classification labels. Currently, the facilities are in normal operation.

Chapter VI Significant Events

Shandong Wanshida
Special Purpose Vehicle
Manufacturing Co., Ltd.

Industrial sewage:

- ① 1 set of painting wastewater treatment system, with the capacity of 4 m³/h; after treated by "flotation + Fenton reagent flocculation precipitation + sedimentation + filtration process", the wastewater is charged to the domestic sewage treatment station of the plant;
- ② 1 set of domestic sewage treatment system, with the capacity of 4 m³/h, adopting the "hydrolyze acidification + SBR + contact oxidization + sand filtration + disinfection process". After the treatment, the wastewater meets Grade-A standard set out in the Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB 18918-2002) and the quality standard for water used in greening work contained in the Reuse of Urban Recycling Water – Water Quality for Urban Miscellaneous Water Consumption (GB/T18920-2002), and is all used in the greening and road water spraying in the plant, with no external emission.

Currently, all the said facilities are in normal operation.

Industrial exhaust:

- ① 3 sets of numerical-controlled cutting fume collection and treatment facilities, with the designed capacity of 5,000 m³/h, adopting the filter cartridge dust removal process;
- ② 3 sets of shot blasting machine fume collection and treatment facilities, with the designed capacity of 5,000 m³/h, adopting the filter cartridge dust removal process;
- ③ 80 sets of welding machine fume collection and treatment facilities, with the designed capacity of 7,000 m³/h, adopting the filter cartridge dust removal process;
- ④ 2 sets of painting waste gas collection and treatment facilities, with the designed capacity of 100,000 m³/h and 120,000 m³/h respectively, adopting the activated carbon adsorption and desorption + catalytic combustion process.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company has built 1 hazardous waste temporary storeroom in accordance with requirements of the Standard for Pollution Control on Hazardous Waste Storage (GB18597-2001), with the floor hardened and treated to prevent any infiltration and cofferdams established to avoid any leakage. The warehouse adopts separate storage measures for different categories of hazardous waste and sets classification labels. Currently, the facilities are in normal operation.

Chapter VI Significant Events

Dongguan CIMC Special Vehicle Co., Ltd.

Industrial sewage:

- ① 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 coating workshop 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 reclaimed 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 coating workshop appoints dedicated personnel to take charge of the daily operation of wastewater treatment system, and each work shift records the operation of wastewater treatment station;
- ② The canteen wastewater is treated by oil and residue removal process; the toilet wastewater is treated by Level III septic tank; other domestic sewage is treated by residue removal process. After such treatment, other domestic sewage is discharged to the municipal network after residue removal treatment when meeting the Time Slot II Level III Standard set out in the Discharge Limits of Water Pollutants DB44/26-2001.

Currently, all the said facilities are in normal operation.

Industrial exhaust:

- ① 3 sets of laser cutting flue gas collection and treatment facilities with a total capacity of 18,000 m³/h;
- ② 5 sets of robotic welding fume collection and treatment facilities, with a total capacity of 147,000 m³/h;
- ③ 1 set of sanding 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.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company has built 1 dedicated hazardous waste temporary storeroom, with the floor hardened and treated to prevent any infiltration and cofferdams established to avoid any leakage. The warehouse adopts separate storage measures for different categories of hazardous waste and sets classification labels. Currently, the facilities are in normal operation.

Chapter VI Significant Events

Zhangjiagang CIMC Sanctum
Cryogenic Equipment
Machinery Co., Ltd.

Industrial sewage:

- ① 1 set of wastewater acid washing treatment system, adopting the adjusting bank + Fenton + anaerobic process + aerobic process + sedimentation + RO + MVR process, with the capacity of 40 t/d. After the treatment, all wastewater meets the standard and is reused;
- ② 1 set of painting wastewater treatment system, adopting the collecting tank + flotation + anaerobic process + aerobic process + sedimentation tank process, with the capacity of 60 t/d. After the treatment, all wastewater is recycled and reused;
- ③ Domestic sewage: all discharged to Jingang District Wastewater Treatment Plant through the municipal network.

Currently, all the said facilities are in normal operation.

Industrial exhaust:

- ① 3 sets of organic waste gas treatment facilities, adopting the activated carbon adsorption + desorption catalytic combustion, with the capacity being 200,000 m³/h, 50,000 m³/h and 150,000 m³/h respectively, emission through the exhaust pipes of 21m, 16m and 21m respectively after the treatment in compliance with standards;
- ② 4 sets of sandblasting waste gas treatment facilities, all adopting the filter cartridge dust removal, with the capacity being 18,000 m³/h, 18,000 m³/h, 36,000 m³/h and 18,000 m³/h respectively, emission through the exhaust pipes of 16.5m, 16.5m, 21m and 21m respectively after the treatment in compliance with standards;

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company builds the dedicated hazardous waste warehouse, equipped with three prevention measures and video monitoring devices. The warehouse complies with the latest Su Huan Ban (2019) No. 327 document and meets the environmental protection requirements.

Currently, the facilities are in normal operation.

Chapter VI Significant Events

Shijiazhuang Enric Gas
Equipment Co., Ltd.

Industrial sewage:

The main outlet of the plant is equipped with 1 sewage treatment station, which is in normal operation currently.

Industrial exhaust:

- ① 8 sets of painting waste gas multi-layer filter cotton + secondary activated carbon adsorption facilities, each with the designed capacity of 24,306 m³/h; 3 sets of activated carbon adsorption + desorption + catalytic combustion facilities (1 set with the capacity of 60,000 m³/h, 1 set with the capacity of 20,000 m³/h, 1 set with the capacity of 30,000 m³/h);
- ② 2 sets of alkali spray towers for acid washing waste gas, each with the designed capacity of 5,000 m³/h;
- ③ 1 set of cyclone dust removal + filter cartridge dust removal facilities for interior shot blasting machine waste gas, with the designed capacity of 50,000 m³/h; 3 sets of cyclone dust removal + filter cartridge dust removal facilities for exterior shot blasting machine waste gas, each with the designed capacity of 5,000 m³/h; 6 sets of cyclone dust removal + filter cartridge dust removal facilities for sanding room waste gas, each with the designed capacity of 8,800 m³/h; 3 sets of cyclone dust removal + filter cartridge dust removal facilities for putty polishing room waste gas, each with the designed capacity of 5,000 m³/h; 2 sets of bag dust collector for numerical-controlled plasma cutting, each with the capacity of 6,000 m³/h.

All the said facilities are in normal operation.

Hazardous waste:

The company builds the hazardous waste temporary storeroom, which is in normal operation currently.

Chapter VI Significant Events

Nantong CIMC Energy
Equipment Co, Ltd.

Industrial sewage:

The wastewater treatment station of the company has the capacity of 300 t/d. Through residue removal, coagulation-sedimentation and biochemical treatment, the wastewater meets the discharge standard. Currently, the facilities are in normal operation.

Industrial exhaust:

- ① 2 sets of low-temperature workshop painting waste gas treatment facilities, 1 set with the "water curtain + spray + paint mist filtration + secondary activated carbon adsorption + catalytic combustion" process, with the capacity of 25,000 m³/h, emission through the 15m exhaust pipe after treatment in compliance with standards; another 1 set with the "water curtain + spray + paint mist filtration + secondary activated carbon adsorption" process, with the capacity of 30,000 m³/h, emission through the 15m exhaust pipe after treatment in compliance with standards;
- ② 1 set of low-temperature sandblasting waste gas treatment facilities, adopting the "cyclone + high-efficiency filter dust removal" process, with capacity of 33,000 m³/h, emission through the 15m exhaust pipe after the treatment in compliance with standards;
- ③ 1 set of tank truck workshop painting waste gas treatment facilities, adopting the "water curtain + spray + paint mist filtration + secondary activated carbon adsorption" process, with capacity of 20,000 m³/h, emission through the 15m exhaust pipe after the treatment in compliance with standards;
- ④ 1 set of tank truck workshop sandblasting waste gas treatment facilities, adopting the "cyclone + high-efficiency filter dust removal" process, with capacity of 33,000 m³/h, emission through the 15m exhaust pipe after the treatment in compliance with standards;
- ⑤ 1 set of gas bottle production workshop cutting fume treatment facilities, adopting the "bag dust collecting" process, with capacity of 5,600 m³/h, emission through the 15m exhaust pipe after the treatment in compliance with standards;
- ⑥ 1 set of gas bottle production workshop winding solidification waste gas treatment facilities, adopting the "water spray + secondary activated carbon adsorption" process, with capacity of 20,000 m³/h, emission through the 15m exhaust pipe after the treatment in compliance with standards;
- ⑦ 1 set of gas bottle production workshop shot blasting waste gas treatment facilities, adopting the "cyclone + high-efficiency filter dust removal" process, with capacity of 12,000 m³/h, emission through the 15m exhaust pipe after the treatment in compliance with standards;
- ⑧ 1 set of alkaline spray tower for waste gas acid washing of heavy pressure vessel workshop, adopting the "alkaline spray absorption" process, with the designed capacity of 9,000 m³/h, emission through the 15m exhaust pipe after the treatment in compliance with standards.

Currently, all the said facilities are in normal operation.

Chapter VI Significant Events

Nantong CIMC Tank
Equipment Co., Ltd.

Hazardous waste:

The company establishes the dedicated hazardous waste warehouse for storing such waste and commissions qualified third party institutions for transportation and treatment. Currently, the facilities are in normal operation.

Industrial sewage:

1 dedicated wastewater acid washing facilities (with capacity of 500 m³/D) adopting the "acid-alkali neutralization + flocculent precipitation" process, 1 set of painting wastewater treatment facilities (with capacity of 120 m³/D) adopting the biochemical process. Dedicated personnel are appointed to operate the system for 24 hours during the production period, and operators have obtained the qualifications granted by environmental departments of Nantong City. After being treated and meeting relevant standards, the wastewater is discharged to Donggang Wastewater Treatment Plant through the municipal network for further treatment; the discharge outlets are designed reasonably, and the online monitoring devices are installed. Currently, the facilities are in normal operation.

Industrial exhaust:

The VOCs waste gas treatment facilities adopt the water curtain absorption + dry filtration + activated carbon adsorption + on-line desorption + catalytic combustion treatment process. Discharge outlets are properly set up; the operation is smooth; maintenance is conducted on a regular basis. Currently the facilities are in normal operation.

Hazardous waste:

The company builds a 1,200 m² dedicated hazardous waste storage place equipped with collection ditch and collection pool, and with measures to prevent rain wash, scattering and draining, and equipped with exhaust gas collection and treatment facilities and video surveillance. Hazardous waste identification labels are posted as required. Dedicated persons are appointed to manage the storage place. Currently, the facilities are in normal operation.

Chapter VI Significant Events

Nantong SinoPacific Offshore & Engineering Co., Ltd. **Industrial sewage:**

1 set of wastewater treatment facilities, with capacity of 490 m³/d. After the treatment, the wastewater is discharged to the network of the plant. Currently, the facilities are in normal operation.

Industrial exhaust:

- ① Coating workshop: 4 sets of VOCs dry filter + activated carbon adsorption + catalytic combustion facilities, with capacity being 70,000 m³/h, 70,000 m³/h, 140,000 m³/h and 140,000 m³/h respectively, emission through the exhaust pipes of 24m, 24m, 17m, and 17m respectively after the treatment in compliance with standards; 5 sets of multi-layer filter cartridge dust remover for dust treatment facilities, with capacity being 160,000 m³/h, 160,000 m³/h, 10,000 m³/h, 10,000 m³/h and 96,000 m³/h respectively, emission through the exhaust pipes of 25m, 25m, 17m, 17m and 17m respectively after the treatment in compliance with standards;
- ② Pre-treatment line: 1 set of VOCs activated carbon adsorption facilities, with capacity of 20,000 m³/h, emission through the 15m exhaust pipe after the treatment in compliance with standards; 1 set of multi-layer filter cartridge dust remover for dust treatment facilities, with capacity of 30,000 m³/h, emission through the 15m exhaust pipe after the treatment in compliance with standards;
- ③ 1 set of dust removal facilities for the plasma cutting machine, with capacity of 18,000 m³/h, emission through the 15m exhaust pipe after the treatment in compliance with standards;
- ④ 1 set of activated carbon adsorption facilities equipped to the hazardous waste storage place, with capacity of 10,000 m³/h, emission through the 15m exhaust pipe after the treatment in compliance with standards.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company establishes 1 dedicated hazardous waste warehouse for storing such waste and commissions qualified third party institutions for transportation and treatment. Currently, the facilities are in normal operation.

Chapter VI Significant Events

Shenzhen CIMC-TianDa
Airport Support Ltd.

Industrial sewage:

1 set of wastewater treatment facilities, mainly for treating wastewater generated from painting, spraying and washing. The treated wastewater is reused, and no industrial sewage is discharged. Currently, the facilities are in normal operation.

Industrial exhaust:

- ① 3 sets of painting waste gas treatment facilities, adopting the activated carbon adsorption + catalytic combustion process;
- ② 2 sets of sanding waste gas treatment facilities, adopting the cyclone + filter barrel filtration + water rotary tower filtration process;
- ③ 1 set of sand cleaning-out waste gas treatment facilities, adopting the filter barrel filtration process;
- ④ 1 set of cooking fume purification facilities, adopting the electrostatic cooking fume evolution process;
- ⑤ 1 set of power generator waste gas treatment facilities, adopting the particulate trap filtration process.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company builds 2 hazardous waste warehouses. Currently, the facilities are in normal operation.

Dalian CIMC Logistics
Equipment Co., Ltd.

Industrial sewage:

1 set of painting wastewater treatment facilities, with the designed capacity of 80 t/d. The wastewater is reused after the treatment, with no external emission. Currently, the facilities are in normal operation.

Industrial exhaust:

- ① 5 sets of VOCs activated carbon adsorption and regenerative combustion devices (4 sets of activated carbon adsorption and 1 set of regenerative combustion), with capacity of 250,000 m³/h, emission through the exhaust pipe of over 15m after the treatment in compliance with standards;
- ② 6 sets of dust and waste gas filter cartridge filtration treatment facilities with designed capacity of 180,000 m³/h, emission through the exhaust pipe of over 15m after the treatment in compliance with standards.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company establishes 5 hazardous waste warehouses and commissions qualified third party institutions for transportation and treatment. Currently, the facilities are in normal operation.

Chapter VI Significant Events

C&C Trucks Co., Ltd.

Industrial sewage:

The wastewater of the plant is treated by the self-built wastewater treatment station and adopts the physical + biochemical process. The capacity of physical system is 800 m³/d; the capacity of biochemical system is 1,200 m³/d; the physical process is coagulation-sedimentation and neutralization; the biochemical process is A/O process. After the treatment, the wastewater is discharged to Binjiang Wastewater Treatment Plant. Currently, the facilities are in normal operation.

Industrial exhaust:

- ① Bag dust collector is built in shot blasting line of frame combined workshop; dust and waste gas with heavy metals generated by the frame shot blasting machine is removed by the built-in bag dust collector, and ultimately emitted through the 15m-high and 0.5m-inner diameter exhaust pipe;
- ② RTO combustion device is built for frame electrophoresis drying in frame combined workshop; waste gas generated by the electrophoresis drying of frame coating is purified by direct combustion, with the purification rate of 98%. The purified waste gas is emitted through the 15m exhaust pipe;
- ③ Venturi paint mist capturing system is built in the intermediary paint, top coat spraying room of the car body painting workshop; the waste gas of body coating and painting room is treated in Venturi spraying room and by high-altitude dilution, and the paint mist purification rate can be over 95%. The treated waste gas is emitted through the 40m ventilation tower;
- ④ A DFTO exhaust gas incinerator imported from Germany is built in the intermediary paint and top coat drying room of the body painting workshop; the body painting workshop adopts the direct combustion devices to purify the waste gas in the course of top coat drying, and the purification rate can be 98%. The purified waste gas is emitted through the 25m exhaust pipe;
- ⑤ A DFTO exhaust gas incinerator imported from Germany is built in electrophoresis drying room of car body painting workshop; the body painting workshop adopts the direct combustion devices to purify the waste gas in the course of electrophoresis drying, and the purification rate can be 98%. The purified waste gas is emitted through the 20m exhaust pipe;
- ⑥ A waste gas adsorption and filtration system is equipped in the paint refinishing room of car body painting workshop.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company establishes the dedicated solid waste warehouse and commissions qualified institutions for the treatment of all hazardous waste. Currently, the facilities are in normal operation.

Chapter VI Significant Events

Yantai CIMC Raffles Offshore Engineering Co., Ltd.

Industrial sewage:

- ① No industrial wastewater is generated;
- ② Domestic sewage is discharged to the wastewater treatment plant through the network after treated by the oil-separating tank and the septic tank.

Currently, all the said facilities are in normal operation.

Industrial exhaust:

- ① Pollutants generated by the workshop are mainly the dust in the course of sanding of steel materials and the paint mist in the course of spraying the primer paint of steel materials;
- ② The capacity of the dust exhaust funnel is 60,000 m³/h; the waste gas is emitted through the 15m exhaust pipe after treated by the cyclone dust removal + filter cartridge dust removal facilities;
- ③ The capacity of the paint mist exhaust funnel is 20,000 m³/h; the waste gas is emitted through the 15m exhaust pipe after treated by the dry filtration + activated carbon adsorption facilities.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company establishes the hazardous waste warehouses for storing such waste and commissions qualified third party institutions for transportation and treatment. Currently, the facilities are in normal operation.

Haiyang CIMC Raffles Offshore Ltd.

Industrial sewage:

Mainly being domestic sewage, which is treated by the existing septic tank and discharged to Haiyang Beikong Wastewater Treatment Plant for further treatment. Currently, the facilities are in normal operation.

Chapter VI Significant Events

Industrial exhaust:

- ① 1 set of pre-treatment VOCs adsorption concentration – catalytic combustion (RTO) facilities, with capacity of 30,000 m³/h, emission through the 20m exhaust pipe after the treatment in compliance with standards;
- ② 2 sets of coating workshop VOCs Static activated carbon adsorption and desorption + catalytic combustion facilities, with capacity of 109,000 m³/h, emission through the 20m exhaust pipe after the treatment in compliance with standards;
- ③ 1 set of pre-treatment workshop dust removal facilities, adopting 3-tier dust removal (settling + cyclone + filter cartridge dust removal), with capacity of 30,000 m³/h, emission through the 20m exhaust pipe after the treatment in compliance with standard;
- ④ 1 set of whole-room dust remover for the coating workshop sanding dust treatment facilities, adopting the filter cartridge dust removal, with capacity of 182,000 m³/h, emission through the 26m exhaust pipe after the treatment in compliance with standards;
- ⑤ 2 sets of local dust remover for the coating workshop sanding dust treatment facilities, adopting the filter cartridge dust removal, with capacity of 24,000 m³/h, emission through the 26m exhaust pipe after the treatment in compliance with standards.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company establishes the hazardous waste warehouses for storing such waste and commissions qualified third party institutions for transportation and treatment. Currently, the facilities are in normal operation.

Chapter VI Significant Events

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

Environmental impact assessment	41 critical pollutant dischargers have declared environmental impact assessment and obtained approval.
Sewage permits	<p>(1) 34 critical pollutant dischargers has obtained the national sewage discharge permit: TLC, CIMC Runyang, XHCIMC, TCCIMC, NTCIMCS, CIMC Yangshan, TCCRC, Taicang Special Equipment, QDCC, Zhangzhou CIMC, TJCIMC, NBCIMC, CIMC Baowell, Yangzhou CIMC Tong Hua, Zhumadian CIMC Huajun Casting, Zhumadian CIMC Huajun Vehicle, Liangshan CIMC Dongyue, Qingdao CIMC Eco-Equipment, Xi'an Special Vehicle, Wuhu CIMC Ruijiang, Shandong CIMC Vehicles, Luoyang CIMC Lingyu, Shenzhen CIMC Special Vehicle, Qingdao CIMC Special Vehicle, Wanshida SPV, Dongguan CIMC Special Vehicle, Zhangjiagang Sanctum, Gas Equipment, Nantong CIMC Energy Equipment, Nantong CIMC Tank, SOE, TianDa Airport, Dalian Logistics Equipment, C&C Trucks.</p> <p>(2) 2 critical pollutant dischargers are waiting for national sewage discharge permits from the local environmental protection authorities: Southern CIMC (Fenggang), XHCIMCS.</p> <p>(3) 1 critical pollutant discharger was closed down; application has been submitted to the relevant regulator for exemption: Southern CIMC Eastern Logistics.</p> <p>(4) 4 critical pollutant dischargers remain in the rectification period:</p> <p>QDCRC and QDCSR are making rectification in accordance with the requirements of local environmental departments. The rectification period expires at 30 July 2021, during which, QDCRC and QDCSR can discharge pollutants in accordance with the requirements of rectification notices;</p> <p>Haiyang Raffles is making rectification in accordance with the requirements of local environmental departments. The rectification period expires at 30 October 2020, during which, Haiyang Raffles can discharge pollutants in accordance with the requirements of the rectification notice;</p> <p>Yantai Raffles is making rectification in accordance with the requirements of local environmental departments. The rectification period expires at 29 June 2021, during which, Yantai Raffles can discharge pollutants in accordance with the requirements of the rectification notice.</p>

Chapter VI Significant Events

Other environmental protection administrative licensing	<ul 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 Nantong CIMC Tank holds radiation safety permits (Jiangsu Environmental and Radiation Certificate (00045)); ④ Nantong CIMC Energy Equipment holds radiation safety permits (Jiangsu Environmental and Radiation Certificate (01351)); ⑤ Sanctum Cryogenic Equipment holds radiation safety permits (Jiangsu Environmental and Radiation Certificate (E0864)); ⑥ Shijiazhuang Gas Equipment holds radiation safety permits (Hebei Environmental and Radiation Certificate (A0138)); ⑦ SOE holds radiation safety permits (Jiangsu Environmental and Radiation Certificate [F0595]); ⑧ Southern CIMC Eastern Logistics submitted the Pingshan Plant discontinuation report to Pingshan Branch of Shenzhen Ecology and Environment Bureau in December 2019, and all production were halted from 31 December 2019 according to the requirements.
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Contingency plans for unexpected environment-related events

Whether the contingency plans have been prepared and have valid period	41 critical pollutant dischargers have prepared the environmental contingency plans, 39 of which keep their environmental contingency plans in valid period, and 2 of them (namely CIMC Baowell, Dongguan CIMC Special Vehicle) are preparing the plan and applying for review, which is expected to be completed in the second half.
Whether the contingency plans have been filed at governmental agencies	39 critical pollutant dischargers have filed their environmental contingency plans, and 2 of them, namely CIMC Baowell and Dongguan CIMC Special Vehicle, will organize filing with governmental departments after plans are passed by review, which is expected to be completed in the second half.
Whether the emergency drill has been carried out and documented	<p>38 critical pollutant dischargers have carried out environment-related emergency drills, while 3 critical pollutant dischargers have not, with notes set out below:</p> <ul style="list-style-type: none"> (1) Southern CIMC Eastern Logistics has been discontinued; (2) Southern CIMC (Fenggang) has been included in the plan, and the environment-related emergency drill will be carried out in the second half; (3) Dongguan CIMC Special Vehicle has included in the plan, and the environment-related emergency drill will be carried out after the filing in the second half.

Chapter VI Significant Events

Self-monitoring environmental program

The 40 critical pollutant dischargers carry out environmental monitoring, and delegate qualified inspection agencies to carry out regular inspections on exhaust, wastewater, noise, etc. One of them, Shenzhen Southern CIMC Eastern Logistics Equipment Manufacturing Co., Ltd. has been discontinued, and therefore has not prepared the self-monitoring environmental program.

Other discloseable environmental information

41 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

- (1) One Green Factory is newly add, Xi'an Special Vehicle, was rated as Shaanxi Provincial-level Green Factory in August 2020. Gas Equipment is applying for national "Green Factory"; it has passed the provincial review, and currently the national-level review is underway.
- (2) Nantong CIMC Tank purchases the environmental pollution liability insurance every year; TianDa Airport purchases the environmental pollution liability insurance every year.

Whether the Company publishes social responsibility report

Yes No

Nature of the Company	Social responsibility report			Report disclosure standards	
	Whether includes information on environment	Whether includes information on society	Whether includes information on corporate governance	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 52 enterprises within the Group obtained environmental management system certifications (ISO14001), and 32 out of the 41 critical pollutant dischargers were certified.
	(Critical pollutant dischargers that passed certification: TLC, CIMC Runyang, Southern CIMC (Fengang), QDCSR, QDCRC, XHCIMCS, QDCC, Zhangzhou CIMC, TJCIMC, NBCIMC, TCCIMC, NTCIMCS, CIMC Yanshan, TCCRC, Taicang Special Equipment, Zhumadian CIMC Huajun Vehicle, Qingdao CIMC Eco-Equipment, Xi'an Special Vehicle, Wuhu CIMC RuiJiang, Shandong CIMC Vehicles, Luoyang CIMC Lingyu, Wanshida SPV, Dongguan CIMC Special Vehicle, Zhangjiagang Sanctum, Gas Equipment, Nantong CIMC Energy Equipment, Nantong CIMC Tank, SOE, TianDa Airport, Dalian Logistics Equipment, Yantai Raffles, Haiyang Raffles)
2. The annual expense in respect of environmental protection (RMB thousand)	The Group has invested more than RMB93.250 million in environmental protection in the first half of the year, of which more than RMB85.390 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 improvement:</p> <p>As for VOCs management, subordinate enterprises under the segment adopted the advanced molecular sieve concentration runner + high temperature oxidation process, with a stable treatment efficiency at above 95%. VOCs online monitoring facilities were also installed at relevant emission outlets to acquire in-time emission data and ensure that VOCs emissions were up to standard. As for welding fume management, through a variety of combinations of the adoption of low-fume welding wires, centralized collection, collection at specific points, cartridge filter and electrostatic precipitator, the effective management of welding fume was achieved. In the control of nitric oxide emission, low nitrogen burners were adopted and an low nitric oxide emission of no more than 50mg/m³ was realized.</p>

Chapter VI Significant Events

- (2) Waste water improvement:
The segment actively explores the coating waste water treatment technology. Currently, most container plants have achieved zero discharge of industrial wastewater, and some subsidiaries have achieved zero discharge of domestic sewage. For instance, TJCIMC improved the sewage treatment efficiency through upgrading the sewage treatment station, maintained COD at a stable level below 50mg/L and met the reclaimed water recycling standard. Another example was NBCIMC, which equipped the sewage treatment station with automatic monitoring system. Under the system, catalysts were utilized accurately; waste water that had not met the standard would not be discharged to the external environment; the pipelines were switched automatically to enable recirculation for further waste water treatment.

 - (3) Solid waste improvement:
The container manufacturing segment promoted the recyclable packaging by the model of “the headquarters leading the initiative, subsidiaries advancing the implementation”, and created the water-based paint “green supply chain”, which replaced traditional disposable metal buckets with recyclable packaging barrels, thus eliminating the generation of waste paint buckets from the source and reducing hazardous waste by more than 20%. The segment promoted the paint residue reduction project, encouraged subsidiaries to install drying or splitting decomposition facilities, and reduced the weight of paint residue by about 50%. In the meantime, the segment continued to explore new coating technologies, conducted R&D experiments on new technologies and materials including powder spraying, electrostatic spraying and new water-based coatings in subsidiaries, XHCIMC, CIMC Baowell and NBCIMC, so as to further reduce the emission of solid wastes, VOCs and other pollutants.
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Chapter VI Significant Events

Road transportation vehicles segment

As a part of the active response to the country's environmental protection requirements, the segment has been committed to the construction of "lighthouse factories" since 2015, and continued to promote the production line upgrading. Lighthouse factories featured eco-friendliness, including low noise, low dust, low VOCs, low hazardous waste and low consumption. Major works conducted in the first half of 2020 for environmental improvement included the followings:

- (1) Waste gas improvement:
CIMC Lingyu made investment in upgrading the coating line, changing the traditional paint coating to the powder coating with low VOCs emission. Qingdao CIMC Special Vehicle, Shandong Wanshida and Liangshan CIMC Dongyue upgraded waste gas treatment facilities for the coating line to make sure that the emission met relevant standards.
- (2) Waste water improvement:
The segment strengthened the management from the source and reduced the water consumption. It also promoted the industrial wastewater recycling and enhanced the management of domestic sewage treatment system.
- (3) Solid waste improvement:
The service of powder coating line would eliminate the generation of paint slag fundamentally.

Energy, chemical and liquid food equipment segment

- (1) Waste gas improvement:
Firstly, the segment installed new VOCs treatment facilities. For instance, in terms of VOCs treatment, Gas Equipment gradually upgraded VOCs treatment facilities, changing the original multilayer filter cotton + secondary activated carbon adsorption process to the activated carbon adsorption + desorption + catalytic combustion process. SOE adopted a new waste gas collection system for the hazardous waste warehouse. Secondly, the segment strengthened the control of fugitive emission. For example, SOE installed dust removal facilities to the plasma cutting to reduce the fugitive emission in the course of cutting.
 - (2) Waste water improvement:
On the one hand, the segment took measures to achieve waste water reduction. Through water-saving measures and increased waste water recycling, the whole segment reduced waste water by more than 8,000 tons in the first half. On the other hand, the segment enhanced the water consumption analysis, setting up dashboard for each subsidiary and relying on data to improve water consumption.
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- (3) Solid waste improvement:
The segment is engaged in hazardous waste reduction. For instance, Gas Equipment communicated with paint suppliers and recycled paint buckets to reduce hazardous waste. From January to May, it reduced waste paint buckets by 697.5KG.

Offshore engineering segment

- (1) Waste gas improvement:
The segment promoted the upgrading of waste gas treatment facilities. For example, Haiyang CIMC Raffles completed the transformation of environmental equipment of the pre-treatment workshop at the beginning of 2020, adopting RTO (regenerative thermal oxidation) process to treat the organic waste gas and applying the cyclone, filter cartridge multi-level filtration process to treat the dust. After the transformation, the dust emission monitoring data was 5.5mg/m³, and the VOCs emission monitoring date was 10mg/m³, meeting the emission requirements of Shandong Province and indicating a significant reduction from the original emission.
- (2) Waste water improvement:
The segment strengthened the management from the source. For instance, Yantai CIMC Raffles made improvement from the source of pipeline washing process. It worked out the full-cycle protection management measures and developed the pipeline blocking protection process and procedures, so as to reduce the number of pipelines that need to be washed in the project and the workload in washing operation. In the H415 Project, the quantity of washing work was reduced by 50%. As subsequent projects followed such measures, process and procedures, the waste water discharge was reduced continuously.
- (3) Solid waste improvement:
The segment focused on the hazardous waste management. For example, Yantai CIMC Raffles replaced the paint of pre-treatment workshop in 2020. Owing to the adoption of paint with high content of effective constituents, the weight of paint buckets per unit of work decreased by 50% from the previous level. It is expected that waste paint buckets will decrease by 4 tons year on year in 2020.
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Chapter VI Significant Events

Airport facilities, fire safety and automated logistics equipment segment

(1) Waste gas improvement:

Firstly, the segment strengthened the effective operation and maintenance of waste gas treatment process, and all subsidiaries achieved stable and reliable emission that met the standards. For instance, TianDa Airport adopted activated carbon adsorption to treat the organic waste gas, and applied the catalytic combustion for desorption after the activated carbon adsorption reached the state of saturation. For the sandblasting waste gas, TianDa Airport utilized the filter barrel dust collector to filter the dust and the pulse back-flushing to remove dust. Xinfu Airport adopted the “three-level dry filter + activated carbon adsorption regeneration + catalytic combustion purification process”;

Secondly, the segment improved the production process. For example, TianDa Airport improved the floor adhesive polishing process and adopted the vacuum type polishing machine, which could effectively collect 95% of dust in the course of polishing, thus reducing pollution to the environment.

(2) Waste water improvement:

On the one hand, most of the subsidiaries achieved zero discharge of industrial wastewater. On the other hand, the segment further improved the domestic sewage treatment. For instance, to address the issue of unstable quality of domestic sewage, Xinfu Airport improved the septic tank, disposed of the liquid of the grease trap and washed the grease trap with clear water, and engaged a third party to conduct inspections, thus making sure that the sewage would have a stable quality and meet the standards.

(3) Solid waste improvement:

Firstly, the segment strengthened the treatment in compliance with regulations, and all subsidiaries treated the hazardous waste in compliance with laws and regulations; secondly, promoting work on hazardous wastes minimization, for example, 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; 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. TianDa Airport filtered and reused the waste hydraulic oil (being one category of hazardous waste) generated by equipment maintenance, reducing hazardous waste by about 1.7 tons every year.

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Heavy trucks segment

- (1) Waste gas improvement:
The segment strengthened the operation and utilization of environmental protection facilities. For instance, collection and treatment facilities were installed in positions for waste gas monitoring.
- (2) Waste water improvement:
The segment improved the water quality online monitoring equipment and conducted regular maintenance. It upgraded the aeration tank in sewage treatment station and increased the utilization of phosphorus removal agents, due to which, the total phosphorus dropped to 3-4mg/L, and all indicators stayed in the standard range.
- (3) Solid waste improvement:
For one thing, the segment reduced the generation of paint and paint slag through the replacement of spare parts and the purchase of finished cabs. For another thing, it advanced the standardized management of hazardous waste and refined the monitoring of all processes to reduce waste generation and leakage. For example, it upgraded hazardous waste warehouses, followed the regulations and requirements, conducted inspections on a regular basis, and implemented strict management.

Logistics services segment

- (1) Waste gas improvement:
Firstly, it conducted tests on the emissions of equipment, and applied for green label for equipment that has met the standards. Non-compliant equipment was equipped with emission purification devices and fuel oil additives, and unqualified equipment would be eliminated according to plans. Secondly, the segment strengthened the emission treatment of forklifts in the stockyard, and adopted emission treatment devices.
 - (2) Waste water improvement:
The segment further expanded the coverage of sewage purification equipment for container cleaning to realize recycling. When developing new projects, it also considered the waste water treatment and the recycling at the same time.
 - (3) Solid waste improvement:
The segment strengthened the storage and treatment of hazardous waste in compliance with regulations, and conducted the identification and the compliance management in respect of general solid wastes. Meanwhile, it organized trainings on the interpretation of the Revised Law on the Prevention and Control of Environment Pollution Caused by Solid Wastes and made relevant deployments.
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Other Segments

Modular building

(1) Management improvement:

On the one hand, the segment enhanced the system certification. For example, Guangdong CIMC Building Construction Co. Ltd. has obtained the ISO14001 environmental management system certification from Lloyd's Register Quality Assurance in 2019 and passed the certification audit in 2020. On the other hand, the segment strengthened the environmental protection inspection, identified hidden dangers and made rectifications in a timely manner.

(2) Waste gas improvement:

The coatings utilized were all water-based coatings, containing fewer hazardous substances and meeting overseas standards. Forklifts were under registration management, and the transportation system was improved (for instance, using other vehicles for carrying light and small objects) to control and reduce the utilization of forklifts, thus reducing the waste gas emission therefrom.

(3) Waste water improvement:

The segment strengthened the domestic sewage management and installed three sets of sewage treatment equipment to dispose of toilet sewage. Inspections on the pipeline network of the plant was conducted on a daily basis to prevent any leakage. By launching the "6.5" Environment Day Event, the segment promoted the environmental protection concept to employees and improved the water-saving awareness of all employees.

(4) Solid waste improvement:

Firstly, for general solid wastes, companies cooperated with material suppliers to establish the waste reuse model for wastes of inorganic decoration materials, including gypsum board and CFC board, in the course of interior decoration of the modular building, converting the wastes into raw material production to reduce the waste treatment. Secondly, for hazardous waste, companies strengthened the internal compliance management. For instance, the receiving and allocation registration management was adopted for materials that involved the generation of hazardous waste, thereby making sure that each category of hazardous waste generated would be collected and stored properly, and then delivered to qualified hazardous waste treatment companies for compliant treatment.

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Unit load segment

- (1) Waste gas improvement:
The segment improved the waste treatment system. For instance, Dalian CIMC Logistics Equipment officially put the regenerative thermal oxidation (RTO) into operation in 2020 to dispose of organic waste gas, and the organic waste gas removal rate reached 99%, which reduced the impact on the environment.
 - (2) Waste water improvement:
Four manufacturing subsidiaries of the segment recorded no industrial waste water. For domestic sewage, the segment strengthened the daily management, for example, establishing the inspection system and increasing the frequency of inspections.
 - (3) Solid waste improvement:
The segment launched the work to make improvement by referring to the Revised Law on the Prevention and Control of Environment Pollution Caused by Solid Wastes, enhanced the compliant storage of hazardous waste warehouses and the compliance management of third parties, and promoted the two benchmarking improvement projects for general industrial solid wastes.
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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

In response to the call of the Chinese government to win the battle against poverty, the Group encourages and supports its subsidiaries to carry out targeted assistance work: (1) relying on local conditions to choose the right direction; (2) combining the main business practically; (3) broaden the way of thinking and carrying out poverty alleviation through industry, education and ecology.

During the Reporting Period, the Group continued to carry out semi-annual poverty alleviation work according to the plan at the beginning of the year: the first is to ensure that some poverty alleviation projects that have been carried out in previous years will continue to be carried out this year, for example, the local poverty alleviation through industry by Hunan CIMC New Material Technology Co., Ltd. under the container sector, the ecological poverty alleviation to the village appearance of Da Zhangjia Village, Langao Town, Longkou City, Yantai (煙臺龍口市蘭高鎮大張家村) by Longkou CIMC Raffles Offshore Engineering Co., Ltd. under the offshore engineering segment, the education poverty alleviation to schools in Yulin, Guangxi by CIMC Finance Company and others; the second is to explore new ideas for poverty alleviation, such as mobilizing employees of the Group to actively participate in poverty alleviation projects, such as the "Book Donation with Love" campaign carried out at the headquarter of the Group in the first half of the year, during which many employees of the Group, various sectors and enterprises donated their books that were idle at home.

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	563
2. Material equivalents	RMB in thousand	61.5
3. Number of registered residents who have achieved poverty alleviation	Person	48
II. Investment by category	–	–
1. Poverty alleviation by industrial development	–	–
Among which: 1.1 Project type of poverty alleviation by industrial development	–	Hunan CIMC New Material Technology Co., Ltd. invested fund in the construction of the phyllostachys pubescens base and the acquisition of bamboo curtains from bamboo curtain manufacturers and suppliers.
1.2 Project number of poverty alleviation by industrial development	–	2
1.3 Investment in poverty alleviation by industrial development	RMB in thousand	500
1.4 Number of registered residents who have achieved poverty alleviation	Person	40
2. Poverty alleviation by transfer employment	–	–
Among which: 2.1 Investment in vocational and technical training	RMB in thousand	33
2.2 Number of residents received vocational technical training	Person	40
2.3 Number of registered residents who have achieved employment	Person	8
3. Poverty alleviation by relocation	–	–
Among which: 3.1 Number of relocated residents who have achieved employment	Person	–

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Indicator	Measurement unit	Quantity/ Progress status
4. Poverty alleviation by education	-	CIMC Finance Company donated learning materials to Liutang Primary School in Chengjun Town, Fumian District, Yulin City, Guangxi Province (廣西省玉林市福綿區成均鎮六塘小學), among which, employees of the Group and its subsidiaries donated 2,719 books, and CIMC Finance Company donated a batch of projectors, fax machines, printers and learning stationery.
Among which: 4.1 Investment in funding impoverished students	RMB in thousand	-
4.2 Number of impoverished students received funding	Person	-
4.3 Investment in educational resources improvement in poverty areas	RMB in thousand	50
5. Poverty alleviation by healthcare	-	-
Among which: 5.1 Investment in healthcare resources in poverty areas	RMB in thousand	-
6. Poverty alleviation by ecological protection	-	-
Among which: 6.1 Project type	-	Longkou CIMC Raffles Offshore Engineering Co., Ltd. illustrated the village appearance construction (such as road hardening, street lamp replacement, etc.) in Da Zhangjia Village, Langao Town, Longkou City, Yantai.
6.2 Investment	RMB in thousand	30

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Indicator	Measurement unit	Quantity/ Progress status
7. Bottom protection	-	Guangdong Xinhui CIMC Special Transportation Equipment Co., Ltd. visited 5 poor households in Xinyi Village and Qing Village, Daa Town, Xinhui District, Jiangmen City (江門市新會區大鰲鎮新一村、頃村) in May, and donated a batch of masks, rice and other anti-epidemic protection materials and living materials.
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	1.5
7.4 Number of disabled residents who have received help	Person	5
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-point poverty alleviation work	RMB in thousand	-
8.3 Investment in poverty alleviation funds	RMB in thousand	-
9. Other projects	-	Haiyang CIMC Raffles Offshore Ltd. carried out fixed-point poverty alleviation on Liuzhou City Guijiang Wufu Tea Industry Specialized Cooperative (柳州市桂江五富茶葉農民專業合作社) in Guangxi Province, helping it to expand tea sales channels.
Among which: 9.1 Project number	-	1
9.2 Investment	RMB in thousand	4
9.3 Number of registered residents who have achieved poverty alleviation	Person	0
III. Awards received (title, level)	-	-

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(3) Follow-up plan for precise poverty alleviation

Leveraging on its own advantages and according to the specific conditions of poverty-stricken areas, the Group will adhere to targeted strategies, and take practical actions to help fight poverty. In the second half of the year, the Group will implement a series of measures with a focus on poverty alleviation by industrial development, poverty alleviation by ecological protection, poverty alleviation by education and other areas to effectively carry out poverty alleviation activities.

3. Performance of Other Social Responsibilities

The Company published the 2019 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 26 March 2020.

XVII. EXPLANATION ON OTHER MATERIAL EVENTS

- On 25 February 2020, the Company has completed the issuance of the first tranche of super & short-term commercial papers of the Company for 2020 (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 26 February 2020. The issuance amount of the Tranche I Super & Short-term Commercial Papers was RMB2.0 billion and the issue rate was 1.8% per annum. China Development Bank is the lead underwriter of the Tranche I Super & Short-term Commercial Papers, and Bank of Shanghai Co., Ltd. (上海銀行股份有限公司) is the joint lead underwriter of the Tranche I Super & Short-term Commercial Papers. The Company has completed the issuance of the second tranche of super & short-term commercial papers of the Company for 2020 (hereafter referred to as the "Tranche II Super & Short-term Commercial Papers"). The proceeds raised from the Tranche II Super & Short-term Commercial Papers were fully received on 30 April 2020. The issuance amount of the Tranche II Super & Short-term Commercial Papers was RMB2.0 billion and the issue rate was 1.2% per annum. China Development Bank is the lead underwriter of the Tranche II Super & Short-term Commercial Papers, and Ping An Bank Co., Ltd. is the joint lead underwriter of the Tranche II Super & Short-term Commercial Papers. On 7 July 2020, the Company has completed the issuance of the third tranche of super & short-term commercial papers of the Company for 2020 (hereafter referred to as the "Tranche III Super & Short-term Commercial Papers"). The proceeds raised from the Tranche III Super & Short-term Commercial Papers were fully received on 7 July 2020. The issuance amount of the Tranche III Super & Short-term Commercial Papers was RMB2.0 billion and the issue rate was 1.6% per annum. Ping An Bank Co., Ltd. is the lead underwriter of the Tranche III Super & Short-term Commercial Papers. For relevant information, please refer to announcements published on Cninfo website (www.cninfo.com.cn), the announcements published on the Company's website (www.cimc.com) (Announcement Nos.: [CIMC] 2020-004, [CIMC] 2020-029 and [CIMC] 2020-050) as well as the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 26 February 2020, 29 April 2020 and 7 July 2020.

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2. On 23 March 2020, as considered and approved at the first meeting of the ninth session of the Board of the Company in 2020, upon the approval of setting up a trust scheme in light of the bonus balance fund operation under the profit sharing scheme and injecting it into the partnership, the operation scheme adopted by the partnership for the purchase of the Company's H shares in the secondary market was approved. The total fund size of the operation scheme does not exceed RMB343 million, and the validity period is 10 years from the date of approval by the general meeting. The fund size of a trust plan (Phase I) set up under the Trust and Operation Scheme for Surplus Funds from the Profit Sharing Plan of CIMC (Draft) according to the Operation Scheme (hereafter referred to as the "Operation Scheme") is RMB200 million and a duration period of 5 years. The matter was considered and approved at the annual general meeting for 2019, the first A shareholders' class meeting for 2020 and the first H shareholders' class meeting for 2020. As of 30 June 2020, the first phase of the trust plan under the Operation Scheme has been established under the name of "CITIC Trust-Zhong Cui Trust Program Phase 202001" (中信信託 - 中萃信託項目202001期). The partnership invested under the phase I of the trust plan has not yet purchased the H shares of the Company. For relevant information, please refer to announcements published on Cninfo website (www.cninfo.com.cn), the announcements published on the Company's website (www.cimc.com) (Announcement Nos.: [CIMC] 2020-008, [CIMC] 2020-009, [CIMC] 2020-036 and [CIMC] 2020-047) as well as the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 23 March 2020, 1 June 2020 and 30 June 2020.
3. On 26 March 2020, having communicated with PricewaterhouseCoopers Zhong Tian LLP, the auditor of the Company, the Group made a total provision of RMB6,029,373,000 for the asset impairment for the year 2019 under the principle of prudence for the purpose of reflecting the financial condition and asset value of the Company as at 31 December 2019 in a more truthful and accurate manner. For relevant information, please refer to the announcements published by the Company on Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcement No.: [CIMC] 2020-013) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 26 March 2020.
4. On 26 March 2020, as considered and approved at the second meeting in 2020 of the ninth session of the Board of the Company, the Company proposed to amend certain articles of the Articles of Association and the Rules of Procedures for the General Meeting. This matter was considered and approved at the annual general meeting for 2019, the first A shareholders' class meeting for 2020 and the first H shareholders' class meeting for 2020. For relevant information, please refer to the announcements published by the Company on Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcement Nos.: [CIMC] 2020-018 and [CIMC] 2020-036) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 26 March 2020 and 1 June 2020.
5. On 26 March 2020, as considered and approved at the second meeting in 2020 of the ninth session of the Board of the Company, the Company proposed to register and issue medium-term notes in an amount of no more than RMB6 billion, perpetual medium-term notes in an amount of no more than RMB2 billion (also known as "perpetual notes") and super & short-term commercial papers in an amount of no more than RMB8 billion. This matter was considered and approved at the annual general meeting for 2019, the first A shareholders' class meeting for 2020 and the first H shareholders' class meeting for 2020. For relevant information, please refer to the announcements published by the Company on Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcement Nos.: [CIMC] 2020-019 and [CIMC] 2020-036) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 26 March 2020 and 1 June 2020.

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6. On 26 March 2020, as considered and approved at the second meeting in 2020 of the ninth session of the Board of the Company, the Company proposed to issue the Corporate Bonds to the qualified investors who satisfy the requirements under the Administrative Measures for the Issuance and Trading of Corporate Bonds (《公司債券發行與交易管理辦法》), with the issuance size of the Corporate Bonds in aggregate not exceeding RMB8 billion (inclusive). This matter was considered and approved at the annual general meeting for 2019, the first A shareholders' class meeting for 2020 and the first H shareholders' class meeting for 2020 and shall be implemented after being approved by CSRC, and it is subject to the final plan approved by CSRC. For relevant information, please refer to the announcements published by the Company on Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcement Nos.: [CIMC] 2020-020 and [CIMC] 2020-036) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 26 March 2020 and 1 June 2020.
7. On 29 May 2020, the Company received a notice from CITIC – Prudential Life Insurance Co., Ltd. (hereinafter referred to as "CITIC – Prudential", a shareholder of the Company), stating that CITIC – Prudential acquired 7,137,495 additional unrestricted A Shares of the Company on 29 May 2020 through centralised trading on the Shenzhen Stock Exchange, accounting for 0.20% of the total share capital of the Company. Prior to the Change in Shareholding, CITIC – Prudential held 12,595,803 A Shares of the Company in addition to the 166,355,080 H Shares of the Company which were registered under HKSCC Nominees Limited, totaling 178,950,883 shares, accounting for 4.99% of the total share capital of the Company. Upon the Change in Shareholding, CITIC – Prudential held 19,733,298 A Shares and 166,355,080 H Shares of the Company, totaling 186,088,378 shares, accounting for 5.19% of the total share capital of the Company. For relevant information, please refer to the announcements published by the Company on Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcement No.: [CIMC] 2020-035) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 1 June 2020. As at the end of the Reporting Period, the Company, having made reasonable enquiries, confirmed that CITIC – Prudential held 19,733,298 unrestricted A Shares of the Company in addition to the 166,611,080 H Shares of the Company which were registered under HKSCC Nominees Limited, accounting for 5.20% of the total share capital of the Company.

XVIII. SIGNIFICANT EVENTS OF SUBSIDIARIES

Applicable Not Applicable

1. On 26 March 2020, as considered and approved at the second meeting in 2020 of the ninth session of the Board of the Company, the non-wholly owned subsidiary of the Company, CIMC Industry & City provided guarantees for the financing businesses of related/connected parties including Shenzhen Taiziwan Shangrong Real Estate Co., Ltd. (深圳市太子灣商融置業有限公司) (hereinafter referred to as "Shangrong Real Estate"), Shenzhen Taiziwan Shangtai Real Estate Co., Ltd. (深圳市太子灣商泰置業有限公司) (hereinafter referred to as "Shangtai Real Estate"), holding subsidiaries of China Merchants Shekou Industrial Zone Holdings Co., Ltd., and Qujing Zhongbirui Real Estate Development Co., Ltd. (曲靖市中碧瑞房地產開發有限公司) (hereinafter referred to as "Qujing Zhongbirui") which is a holding subsidiary of Country Garden Real Estate Group Co., Ltd. (碧桂園地產集團有限公司) in proportion to its shareholding. The maximum amounts in respect of guarantees provided by CIMC Industry & City to Shangrong Real Estate, Shangtai Real Estate and Qujing Zhongbirui is RMB343 million, RMB343 million and RMB490 million, respectively. For relevant information, please refer to the announcements published by the Company on Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcement No.: [CIMC] 2020-015) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 26 March 2020. As of the end of the Reporting Period, none of the above guarantees had actually been incurred.

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2. On 13 April 2020, CIMC Industry & City has completed the issuance of the first tranche of private placement notes (PPN) for 2020 (hereinafter referred to as the “Tranche I PPN”). The proceeds raised from the Tranche I PPN were fully received on 13 April 2020. The actual issuance amount of the Tranche I PPN was RMB500 million and the issue rate was 5.5% per annum. Bank of Shanghai Co., Ltd. is the lead underwriter of the Tranche I PPN, and CSC Financial Co., Ltd. is the joint lead underwriter of the Tranche I PPN. On 15 June 2020, CIMC Industry & City has completed the issuance of the second tranche of private placement notes (PPN) for 2020 (hereinafter referred to as the “Tranche II PPN”). The proceeds raised from the Tranche II PPN were fully received on 15 June 2020. The actual issuance amount of the Tranche II PPN was RMB400 million and the issue rate was 5.4% per annum. Bank of Shanghai Co., Ltd. is the lead underwriter of the Tranche II PPN, and CSC Financial Co., Ltd. is the joint lead underwriter of the Tranche II PPN. For relevant information, please refer to the announcements published by the Company on Cninfo website (www.cninfo.com.cn) and the Company’s website (www.cimc.com) (Announcement Nos.: [CIMC] 2020-022 and [CIMC] 2020-040) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 13 April 2020 and 15 June 2020.
3. On 16 April 2020, CIMC Industry & City proposed to provide financial assistance to a connected party, Shenzhen Country Garden Property Investment Co., Ltd. (深圳市碧桂園房地產投資有限公司) (hereinafter referred to as “Shenzhen Country Garden”), through its non-wholly owned subsidiaries, Shenzhen Jihong Investment Co., Ltd. (hereinafter referred to as “Jihong Investment”) and Shenzhen Jiyuan Investment Co., Ltd. (hereinafter referred to as “Jiyuan Investment”). Shenzhen Country Garden will receive the financial assistance of no more than RMB2.258 billion in total in proportion of 30%, including no more than RMB0.474 billion of financial assistance to be provided by Jihong Investment to Shenzhen Country Garden and no more than RMB1.784 billion of financial assistance to be provided by Jiyuan Investment to Shenzhen Country Garden. For relevant information, please refer to the announcements published by the Company on Cninfo website (www.cninfo.com.cn) and the Company’s website (www.cimc.com) (Announcement No.: [CIMC] 2020-025) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 16 April 2020.
4. On 6 May 2020 and 15 May 2020, the initial public offering of RMB ordinary shares (A shares), listing and trading of the shares on the ChiNext (創業板) of the Shenzhen Stock Exchange by CIMC Vehicles (hereinafter referred to as “the A-share Issue” or “A-share Issue”) was considered and approved at the board meeting of CIMC Vehicles, a majority-owned subsidiary of the Company. A supplementary circular in relation to the A-share Issue and other relevant resolutions has also been published. The resolution regarding the A-share Issue and other relevant resolutions were considered and approved at the sixth meeting of the ninth session of the Board of the Company held on 19 June 2020. The independent Directors of the Company have conducted preliminary review and issued independent opinions on the A-share Issue. On 22 June 2020, the resolution regarding the A-share Issue and other relevant resolutions were considered and approved at the annual general meeting and the class meeting of CIMC Vehicles. CIMC Vehicles received an acceptance notice from the Shenzhen Stock Exchange on 31 July 2020. The A share prospectus has been published on the website for disclosure of information on the approval for offering and listing on the ChiNext Market of the Shenzhen Stock Exchange (<http://listing.szse.cn>), and the same will be published by CIMC Vehicles on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the website of CIMC Vehicles (<http://www.cimcvehiclesgroup.com>). For relevant information, please refer to the announcements published by the Company on Cninfo website (www.cninfo.com.cn) and the Company’s website (www.cimc.com) (Announcement Nos.: [CIMC] 2020-031, [CIMC] 2020-032, [CIMC] 2020-037, [CIMC] 2020-043, [CIMC] 2020-044, [CIMC] 2020-052, [CIMC] 2020-053 and [CIMC] 2020-054) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 6 May 2020, 15 May 2020, 2 June 2020, 19 June 2020, 22 June 2020, 22 July 2020 and 2 August 2020.

Chapter VI Significant Events

5. Enric Shenzhen received certain litigation documents served by the Jiangsu Province High People’s Court, including a notice of response to action [(2018) Su Min Chu No.37] [(2018)蘇民初37號]) and a writ of summons in December 2018, pursuant to which, the plaintiff SOEG sued the defendant Enric Shenzhen, and petitioned the court to: 1) order Enric Shenzhen to pay SOEG the remaining balance of the equity transfer of RMB153,456,000; 2) order Enric Shenzhen to bear the attorney fee loss of RMB50,000 incurred by SOEG; 3) order Enric Shenzhen to bear the costs of this case. The litigation entered the trial stage in September 2019, and the Nantong Intermediate Court has recently made the first-instance judgment: 1) the claim made by the plaintiff SOEG has been dismissed; 2) the case acceptance fee of RMB809,330 shall be borne by the plaintiff SOEG; 3) if the judgment is not accepted, the plaintiff SOEG and the defendant Enric Shenzhen may submit an appeal to the Nantong Intermediate Court within 30 days and 15 days, respectively, from the date the judgment is served, and may provide the copies of the appeal in the same number as that of the parties involved. The appeal (if any) will proceed at the Jiangsu Province High People’s Court, and the case acceptance fee for the appeal shall be prepaid to the Jiangsu Province High People’s Court according to the “Measures for Payment of Litigation Costs” (《訴訟費用交納辦法》). In August 2020, Enric Shenzhen has received the SOEG petition served by the Nantong Intermediate People’s Court of Jiangsu Province, and the case will then be transferred to the Jiangsu Province High People’s Court for second instance. For the specific contents, please refer to the announcements published by the Company on Cninfo website (www.cninfo.com.cn), the Company’s website (www.cimc.com) (Announcement Nos.: [CIMC]2020-041 and [CIMC]2020-060) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 31 January 2019, 15 June 2020 and 12 August 2020.

XIX. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

1. On 6 July 2020, “Insider Registration and Management System of China International Marine Containers (Group) Co., Ltd.”, “Information Disclosure Management System of China International Marine Containers (Group) Co., Ltd.”, was considered and approved at the eighth meeting of the ninth session of the Board of the Company in 2020, the full text of which was published on Cninfo website (www.cninfo.com.cn) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 6 July 2020.
2. On 22 July 2020, the Company and Xiang Shan Hua Jin Industrial Investment Partnership (Limited Partnership) (象山華金實業投資合夥企業(有限合夥)) (hereafter referred to as “Xiang Shan Hua Jin”) entered into an equity transfer agreement with Shanghai Tai Fu Xiang Zhong Equity Investment Fund Partnership (Limited Partnership) (hereafter referred to as “Tai Fu Xiang Zhong”). On the same date, the Company and Xiang Shan Hua Jin entered into the share confirmation with respect to the transfer of target shares. Pursuant to the equity transfer agreement and the share confirmation, the Company decided to purchase from Tai Fu Xiang Zhong 63,493,475 shares held in CIMC Vehicles at RMB6.80 per share for a consideration of RMB431,755,630. Upon completion of the transaction, the Company will hold approximately 57.42% equity interest in CIMC Vehicles and CIMC Vehicles will remain as a non-wholly owned subsidiary of the Company. The transaction was considered and approved at the ninth meeting of the ninth session of the Board of the Company in 2020, at which no Director was required to abstain from voting on the relevant Board resolution due to any material interest in the transaction. The independent Directors of the Company have conducted preliminary review and issued independent opinions. The transaction was not required to be submitted to the general meeting of the Company for consideration and approval. For relevant details, please refer to announcement published on Cninfo website (www.cninfo.com.cn), the announcement published on the Company’s website (www.cimc.com) (Announcement No.: [CIMC] 2020-052) and the announcement published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 22 July 2020.

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3. On 6 August 2020, it was considered and approved at the tenth meeting of the ninth session of the Board of the Company in 2020 that Country Garden Real Estate Group Co., Ltd. (hereafter referred to as “Country Garden”) will pay additional capital of RMB1,606,124,427 to CIMC Industry & City, an indirect non-wholly-owned subsidiary of the Company, and the corresponding additional capital to the equity value of uncompleted parts of Qianhai Projects (if any) will be increased to a maximum of RMB39,012,616. Upon the completion of the transaction, the equity interests in CIMC Industry & City held by Country Garden will increase from 25% to 30%. The independent Directors of the Company have conducted preliminary review and issued independent opinions. Such matters are subject to consideration and approval at the general meeting of the Company. For relevant details, please refer to announcements published on Cninfo website (www.cninfo.com.cn), the announcements published on the Company’s website (www.cimc.com) (Announcement Nos.: [CIMC] 2020-057 and [CIMC] 2020-058) and the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 6 August 2020.
4. On 12 August 2020, the Company, Shenzhen CIMC Intelligent Technology Co., Ltd. (hereafter referred to as “CIMC Intelligent”, a subsidiary of the Company), Southern CIMC (a wholly-owned subsidiary of the Company) and Dongjie Intelligent (Shenzhen) Co., Ltd. (東杰智能(深圳)有限公司) (hereafter referred to as “Shenzhen Dongjie”) signed the Equity Transfer Agreement Regarding Shenzhen CIMC Intelligent Technology Co., Ltd. (hereafter referred to as the “Equity Transfer Agreement”). Pursuant to the Equity Transfer Agreement, the Group intends to transfer its 55% equity interest in CIMC Intelligent to an independent party, Shenzhen Dongjie, for a transaction consideration of RMB49.5 million. Upon completion of the transaction, the Company’s equity in CIMC Intelligent will be reduced from 68% to 13%, and CIMC Intelligent will cease to be a subsidiary of the Company. At the same time, the Company’s loan amounting to RMB15 million to CIMC Intelligent constitutes the external financial assistance upon completion of the transaction. As stipulated in the Equity Transfer Agreement, the relevant parties shall repay the principal and interest in one lump sum within three months from the date of equity delivery in this transaction (bearing interest based on annualized interest rate of 6%). For relevant details, please refer to the announcement published on Cninfo website (www.cninfo.com.cn), the announcements published on the Company’s website (www.cimc.com) (Announcement No.: [CIMC]2020-059) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 12 August 2020.

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5. According to the capital increase agreement dated 18 August 2020, Xi'an Qujiang Cultural Industry Investment (Group) Co., Ltd. (西安曲江文化產業投資(集團)有限公司) (hereafter referred to as "Qujiang Cultural Industry Investment") paid the tentative proposed additional capital price of RMB2,351,531,106.75 to CIMC Industry & City, an indirect non-wholly owned subsidiary of the Company, of which, RMB90,940,737.86 will be used to subscribe for the registered capital of CIMC Industry & City correspondingly, and RMB2,260,590,368.89 is proposed to be transferred to the capital reserve of CIMC Industry & City. Upon completion of the transaction, the registered capital of CIMC Industry & City will be increased to RMB454,703,689.29, Qujiang Cultural Industry Investment will hold 20% equity interest in CIMC Industry & City. As at 18 August 2020, CIMC Industry & City is an indirect non-wholly owned subsidiary of the Company, in which the Company holds 61.5% equity interest. Upon completion of the capital increase by Country Garden, the Company will hold 57.4% equity interest in CIMC Industry & City, and upon completion of the capital increase by Qujiang Cultural Industry Investment, the percentage of equity interest held by the Company in CIMC Industry & City will be decreased to 45.92%. The transaction still needs to be submitted to the general meeting of the Company for consideration. Upon the completion of the transaction, the scope of the Company's consolidated statements will be changed. CIMC Industry & City will no longer be an indirect non-wholly owned subsidiary of the Company, instead, it will become an associate of the Company. In addition, as certain directors and senior management of the Group will hold directorship on the new board of directors of CIMC Industry & City, according to the Shenzhen Listing Rules, CIMC Industry & City will also constitute a related party of the Company under the Shenzhen Listing Rules. After CIMC Industry & City introduces the strategic investor, its fund transfer with the Group and providing guarantees to CIMC Industry & City are required to be submitted to the general meeting of the Company for consideration. Such matters stated above have been considered and approved by the eleventh meeting in 2020 of the ninth session of the Board and is subject to the approval of the general meeting. The independent Directors have issued review opinions in advance. For relevant details, please refer to the announcements published on Cninfo website (www.cninfo.com.cn), the Company's website (www.cimc.com) (Announcement Nos.: [CIMC] 2020-063 and [CIMC] 2020-064) and the announcement published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 18 August 2020.

6. On 18 August 2020, the Company received notices from COSCO SHIPPING Development Co., Ltd., Broad Ride Limited and Promotor Holdings Limited, being shareholders of the Company, whom have been proposing to transfer part of their shareholdings in the Company. Specific transaction plan is still being planned and related transaction is subject to approval of competent authorities, which is subject to uncertainty. As of 18 August 2020, there is no controlling shareholder of the Company while China Merchants (CIMC) Investment Limited is its largest shareholder. Thus, the issue may involve changes of the largest shareholder of the Company. On 25 August 2020, COSCO Container Industries Limited and Long Honour Investments Limited, both being wholly-owned subsidiaries of COSCO SHIPPING Development Co., Ltd., together with Broad Ride Limited and Promotor Holdings Limited, as the four shareholders, and Shenzhen Capital Operation Group Co., Ltd. entered into the Letter of Intent on Transfer of Shares of China International Marine Containers (Group) Co., Ltd., pursuant to which the four shareholders agreed to transfer part or all of their respective shares held in the Company to Shenzhen Capital Operation Group Co., Ltd. and its designated wholly-owned subsidiary. For relevant details, please refer to the announcements published on Cninfo website (www.cninfo.com.cn), the announcements published on the Company's website (www.cimc.com) (Announcement Nos.: [CIMC]2020-062 and [CIMC]2020-066) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 18 August 2020 and 25 August 2020.

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7. On 27 August 2020, the Resolution on Amendments to the Articles of Association of China International Marine Containers (Group) Co., Ltd., the Resolution on Amendments to the Rules of Procedures for the General Meetings of China International Marine Containers (Group) Co., Ltd. and the Resolution on Amendments to the Rules of Procedures for the Board of Directors of China International Marine Containers (Group) Co., Ltd. have been considered and approved at the twelfth meeting of the ninth session of the Board of the Company in 2020. On 27 August 2020, the Resolution on Proposed Amendments to the Rules of Procedure for the Supervisory Committee of China International Marine Containers (Group) Co., Ltd. has been considered and approved at the fifth meeting of the ninth session of the Board of the Company in 2020. The abovementioned resolutions are subject to consideration and approval at the general meeting of the Company. For relevant information, please refer to the announcements published by the Company on Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcement Nos.: [CIMC] 2020-067, [CIMC] 2020-068 and [CIMC] 2020-071) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 27 August 2020.
8. On 27 August 2020, the Board of the Company received the written resignation from Mr. WANG Hong. Mr. WANG Hong has tendered his resignation from the position of Chairman and non-executive Director of the Company and all the positions in the committees of the Board due to the change in work arrangement. On the same date, the Board of the Company received the written resignation from Mr. MAI Boliang. Mr. MAI Boliang has tendered his resignation from the position of president of the Company due to the change in work arrangement. At the 12th meeting of the ninth session of the Board in 2020 held on 27 August 2020, the Board announced that, (i) Mr. MAI Boliang, current executive Director, has been elected as the Chairman of the ninth session of the Board, with effect from 27 August 2020; (ii) Mr. DENG Weidong and Mr. GAO Xiang have been nominated as additional candidates for directorships of the ninth session of the Board, and the Board has agreed that the nominations will be submitted to the general meeting for consideration and approval; Mr. GAO Xiang has been appointed as president of the Company, with effect from 27 August 2020; and (iii) the Board has appointed members of the committees. For relevant information, please refer to the announcements published by the Company on Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcement Nos.: [CIMC] 2020-067, [CIMC] 2020-072 and [CIMC] 2020-073) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 27 August 2020.

XX. RELEVANT INFORMATION ABOUT CORPORATE BONDS

For details for the issuance of corporate bonds of the Company, please refer to "Chapter X Relevant Information About 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 2019)		Increase/decrease (+/-) Conversion					Post-movement (As at 30 June 2020)	
	Number of shares	Percentage	New issue	Bonus issue	from reserves	Others	Sub-total	Number of shares	Percentage
I. Shares with selling restrictions	850,232	0.02%	0	0	0	0	0	850,232	0.02%
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	850,232	0.02%	0	0	0	0	0	850,232	0.02%
Including: Shares held by domestic legal person	0	0.00%	0	0	0	0	0	0	0.00%
Shares held by domestic natural persons	850,232	0.02%	0	0	0	0	0	850,232	0.02%
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 domestic natural persons	0	0.00%	0	0	0	0	0	0	0.00%
II. Shares without selling restrictions	3,583,654,150	99.98%	1,570,420	0	0	0	1,570,420	3,585,224,570	99.98%
1. RMB-denominated ordinary Shares (A Shares)	1,523,762,220	42.51%	1,570,420	0	0	0	1,570,420	1,525,332,640	42.54%
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)	2,059,891,930	57.47%	0	0	0	0	0	2,059,891,930	57.44%
4. Others	0	0.00%	0	0	0	0	0	0	0.00%
III. Total shares	3,584,504,382	100.00%	1,570,420	0	0	0	1,570,420	3,586,074,802	100.00%

Reasons for changes in shareholdings:

During the Reporting Period, 1,570,420 options were exercised during the second exercisable period for the First Tranche of Share Option Incentive Scheme, and 0 options were exercised during the second exercisable period for the Second Tranche of Share Option Incentive Scheme. 1,570,420 options were exercised in aggregate.

Approval for changes in shareholdings

Applicable Not applicable

Transfer for changes in shareholdings

Applicable Not applicable

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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/share)	Post-movement in shares (RMB/share)
2019	Basic earnings per share	0.45	0.37
	Diluted earnings per share	0.45	0.37
	Net assets per share attributable to ordinary Shareholders of the Company	13.14	10.95
The first half of 2020	Basic earnings per share	(0.0841)	(0.0841)
	Diluted earnings per share	(0.0841)	(0.0841)
	Net assets per share attributable to ordinary Shareholders of the Company	11.28	11.28

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

Applicable Not applicable

2. Changes in Shares 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 restrictions 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	445,232	0	0	445,232	Shares are subject to selling restrictions in accordance with relevant provisions of stock exchanges and clearing companies.	Nil
Huang Tianhua	405,000	0	0	405,000	Same as above	Nil
Total	850,232	0	0	850,232	-	-

Chapter VII Changes in Shareholdings and Information on Substantial Shareholders

II. ISSUE AND LISTING OF SECURITIES

Applicable Not applicable

III. NUMBER OF SHAREHOLDERS AND SHAREHOLDINGS OF THE COMPANY

The total number of Shareholders of the Company as at 30 June 2020 was 81,599, including 29 registered holders of H Shares, 81,570 holders of A Shares.

Unit: Shares

Total ordinary Shareholders at the end of the Reporting Period	Total: 81,599 (Including: A Shares: 81,570, H Shares: 29)	Total number of preference Shareholders whose voting rights were restored at the end of the Reporting Period (if any)	0
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Shareholdings of the ordinary Shareholders who hold above 5% or the top ten ordinary Shareholders

Name of Shareholders	Nature of Shareholders	Percentage of shareholding	Number of	Changes	Number of	Number of	Pledged or frozen shares	
			ordinary shares held at the end of the Reporting Period (Shares)	during the Reporting Period (Shares)	ordinary shares with selling restrictions (Shares)	ordinary shares without selling restrictions (Shares)	Status	Number
HKSCC Nominees Limited (Note 1)	Foreign legal person	57.74%	2,070,744,627	(12,478,406)	-	2,070,744,627	-	0
COSCO Container Industries Limited (Note 2)	Foreign legal person	14.46%	518,606,212	0	-	518,606,212	-	0
China Securities Finance Corporation Limited	State-owned legal person	2.37%	84,959,608	0	-	84,959,608	-	0
Central Huijin Asset Management Ltd.	State-owned legal person	1.27%	45,592,560	0	-	45,592,560	-	0
CITIC-Prudential Life Insurance Co., Ltd. – participating products (Note 3)	Domestic non-state-owned legal person	0.55%	19,733,298	11,070,715	-	19,733,298	-	0
Zhong Ou Fund – Agricultural Bank – Zhong Ou CSI Financial Assets Management Program	Domestic non-state-owned legal person	0.31%	11,102,880	0	-	11,102,880	-	0
ICBC Credit Suisse Fund – Agricultural Bank – ICBC Credit Suisse CSI Financial Assets Management Program	Domestic non-state-owned legal person	0.31%	11,054,160	0	-	11,054,160	-	0

Chapter VII Changes in Shareholdings and Information on Substantial Shareholders

Shareholdings of the ordinary Shareholders who hold above 5% or the top ten ordinary Shareholders								
Name of Shareholders	Nature of Shareholders	Percentage of shareholding	Number of ordinary shares held at the end of the Reporting Period	Changes during the Reporting Period	Number of ordinary shares with selling restrictions	Number of ordinary shares without selling restrictions	Pledged or frozen shares	
			Period (Shares)	Period (Shares)	(Shares)	(Shares)	Status	Number
Dacheng Fund – Agricultural Bank – Dacheng CSI Financial Assets Management Program	Domestic non-state-owned legal person	0.31%	10,980,360	0	–	10,980,360	–	0
Yinhua Fund – Agricultural Bank – Yinhua CSI Financial Assets Management Program	Domestic non-state-owned legal person	0.30%	10,912,920	0	–	10,912,920	–	0
E Fund – Agricultural Bank – E Fund China Securities and Financial Assets Management Program	Domestic non-state-owned legal person	0.30%	10,842,719	0	–	10,842,719	–	0
Strategic investors or ordinary legal persons who became top ten Shareholders due to placing of new shares (if any)		Nil						
Explanation on the relationship or concerted action of the above 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)	2,059,676,340	Overseas listed foreign shares	2,059,676,340
HKSCC Nominees Limited (Note 1)	11,068,287	RMB-denominated ordinary shares	11,068,287
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
CITIC-Prudential Life Insurance Co., Ltd. – participating products (Note 3)	19,733,298	RMB-denominated ordinary shares	19,733,298
Zhong Ou Fund – Agricultural Bank – Zhong Ou CSI Financial Assets Management Program	11,102,880	RMB-denominated ordinary shares	11,102,880
ICBC Credit Suisse Fund – Agricultural Bank – ICBC Credit Suisse CSI Financial Assets Management Program	11,054,160	RMB-denominated ordinary shares	11,054,160
Dacheng Fund – Agricultural Bank – Dacheng CSI Financial Assets Management Program	10,980,360	RMB-denominated ordinary shares	10,980,360
Yinhua Fund – Agricultural Bank – Yinhua CSI Financial Assets Management Program	10,912,920	RMB-denominated ordinary shares	10,912,920
E Fund – Agricultural Bank – E Fund China Securities and Financial Assets Management Program	10,842,719	RMB-denominated ordinary shares	10,842,719
Explanation on the relationship or concerted action between the top ten Shareholders of circulating shares without selling restrictions, or 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 2020, HKSCC Nominees Limited was the holder of 2,070,744,627 shares of the Company on our behalf, including 11,068,287 A Shares and 2,059,676,340 H Shares. The H Shares include (but 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 subsidiaries (including the 30,386,527 H Shares directly held by Long Honour Investments Limited and the 264,624,090 H Shares directly held by COSCO Container Industries Limited) and the 166,611,080 H Shares held by CITIC-Prudential Life Insurance Co., Ltd..

Note 2: As at 30 June 2020, save as the abovementioned 264,624,090 H Shares of the Company which were registered under HKSCC Nominees Limited (see Note 1 above), COSCO Container Industries Limited held 518,606,212 A Shares of the Company.

Note 3: As at 30 June 2020, CITIC-Prudential Life Insurance Co., Ltd. held 19,733,298 A Shares of the Company in addition to the abovementioned 166,611,080 H Shares of the Company which were registered under HKSCC Nominees Limited (see Note 1 above).

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 SECURITIES AND FUTURES ORDINANCE (THE "SFO") OF HONG KONG

So far as the Directors are aware, as at 30 June 2020, the persons other than a Director, Supervisor and chief executive of the Company who have interests or short positions in the shares and underlying shares of the Company according to record of the register of interests in shares and short positions required to be kept under Section 336 of the SFO of Hong Kong are as follows:

Name of Shareholder	Nature of shares	Number of shares (Shares)	Capacity	Percentage of such shares in the issued shares of the same class (%)	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%	24.55%
China COSCO Shipping (Note 2)	A Shares	518,606,212 (L)	Interest of corporation controlled by the substantial shareholder	33.98%	14.46%
	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	424,078,915 (L)	Interest of corporation controlled by the substantial shareholder	20.59%	11.83%
Broad Ride Limited (Note 3)	H Shares	258,244,615 (L)	Beneficial holder	12.54%	7.20%
	H Shares	165,834,300 (L)	Person having security interest in shares	8.05%	4.62%
CITIC-Prudential Life Insurance Co., Ltd.	A Shares	19,733,298 (L)	Beneficial holder	1.29%	0.55%
	H Shares	166,611,080 (L)	Beneficial holder	8.09%	4.65%
Promotor Holdings Limited	H Shares	165,834,300 (L)	Beneficial holder	8.05%	4.62%

(L) Long position

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Note 1: China Merchants Group, through its subsidiaries (including China Merchants (CIMC) Investment Limited, etc.), had an interest in the H Shares of the Company, all the 880,429,220 H Shares (L) were 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), had an interest in the A Shares and H Shares of the Company, all the 518,606,212 A Shares (L) and 295,010,617 H Shares (L) were held in the capacity as interest of corporation controlled by the substantial Shareholder.

Note 3: Hony Group Management Limited, through various subsidiaries (including Broad Ride Limited, had an interest in the H shares of the Company, and 258,244,615 H Shares (L) were held in the capacity as interest of corporation controlled by the substantial shareholder and 165,834,300 H Shares (L) were held in the capacity as person having security interest in shares.

Save as disclosed above and so far as the Directors are aware, as at 30 June 2020, 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:

There is no controlling Shareholder or de facto controller 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.

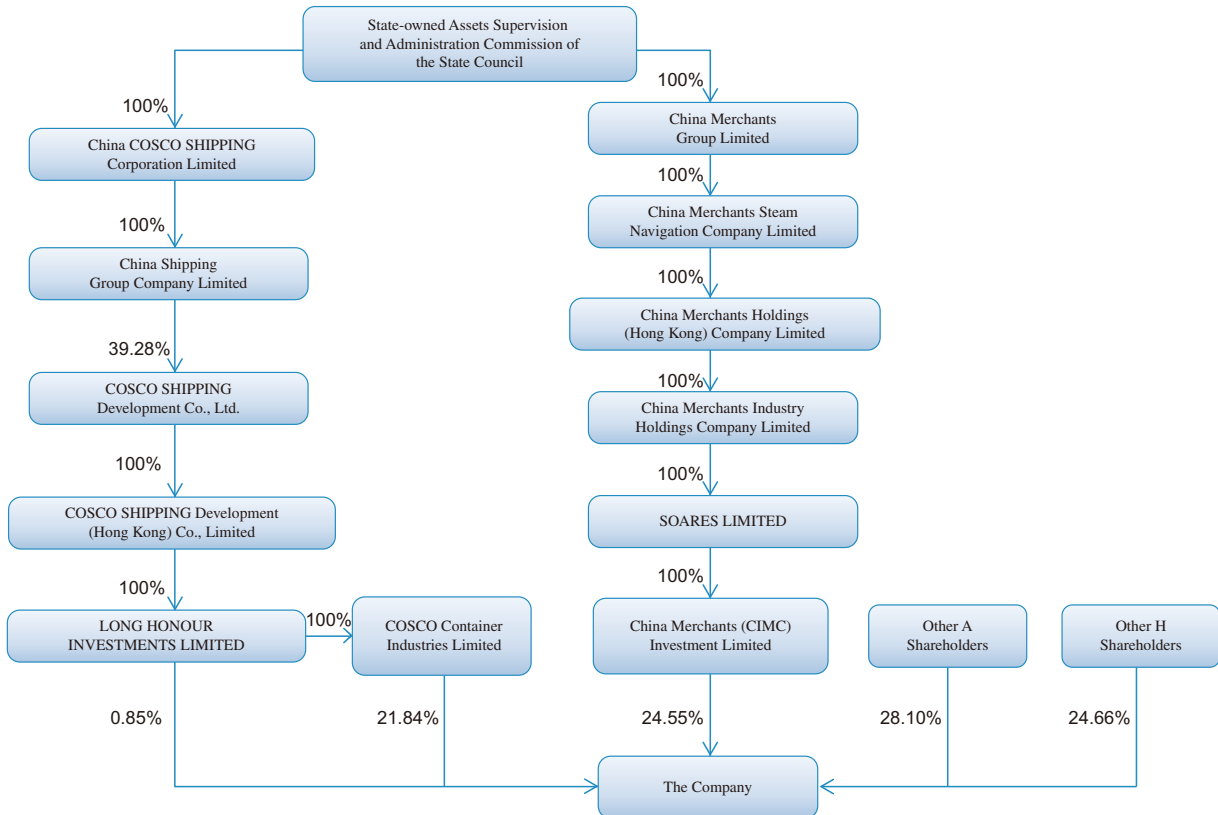
China Merchants Group was incorporated in October 1986 in the PRC. Its registered capital is RMB10.05 billion and its chairman of the board of directors is Mr. LI Jianhong. China Merchants Group's business focuses on three core industries, namely traffic (harbour, highway, shipping and transportation, logistics, ocean engineering and trade), finance (banking, securities, funds and insurance) and real estate (industrial zone development and real estate development) and is evolving from three major industries to three major platforms including 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 24.55% 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 pillars 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 Limited, COSCO SHIPPING Development Co. Ltd., Long Honour Investments Limited and COSCO Container Industries Limited, etc.) held 22.69% 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 shares 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 Directors 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 were no preferred shares in the Company during the Reporting Period.

Chapter VIII Relevant Information about Convertible Corporate Bonds

Applicable Not applicable

There were no convertible corporate bonds in the Company during the Reporting Period.

Chapter IX Information on Directors, Supervisors and Senior Management

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

Applicable Not applicable

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
Zeng Han	Chief financial officer	Appointment	26 March 2020	Changed from general manager of financial department to chief financial officer

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

For details of changes of Directors, Supervisors and senior management of the Company between the Reporting Period and the disclosure date of this Report, please refer to “8” of “XIX. Significant Events after the Reporting Period” of “Chapter VI Significant Events” in this Report.

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

As at 30 June 2020, the interests or short positions held by the Directors, Supervisors and chief executives 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	Type 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	0.0389%	0.0166%

Chapter IX Information on Directors, Supervisors and Senior Management

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 2020, 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. Interest in the Shares of Associated Corporations of the Company:

Name	Associated corporation	Nature of interest	Type 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 2020, as far as the Directors of the Company are aware, none of the Directors, Supervisors and the chief executives 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, there was no change in information of Directors and Supervisors of the Company. Please refer to 2019 annual report for details.

Chapter X Relevant Information about 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 investors	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.
China International Marine Containers (Group) Co., Ltd. on 2019 public offering of corporate bonds (tranche 1) for qualified investors	19 Haiji 01 (19海集01)	112979.SZ	15 October 2019	15 October 2022	2,000,000	3.63%	The interest of the Bonds shall be paid annually without compound interest and the principal and interest shall be repaid on maturity.
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 interest of the renewable corporate bonds, "18 Haiji Y1" was repaid on time during the Reporting Period. The first interest payment date of corporate bonds, "19 Haiji 01", will be 15 October 2020. No principal 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. PricewaterhouseCoopers Zhong Tian LLP has audited the financial statements for 2019 of the Company and issued an audit report of unqualified opinion, which considered that "18 Haiji Y1" has met the conditions to be classified as equity instrument and can be used for settlement as equity instrument. There are no special articles in respect of the corporate bonds, "19 Haiji 01".						

Chapter X Relevant Information about 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 Chengxin International Credit Rating Co., Ltd.	Business address	Building 6, Galaxy SOHO, No.2 Nanzhugan hutong, Chaoyangmennei Avenue, Dongcheng District, Beijing
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Reasons 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	The renewable corporate bonds, "18 Haiji Y1" and the corporate bond, "19 Haiji 01" have been withdrawn and utilized in accordance with the relevant requirements and procedures of the Company for the purpose as stipulated by the prospectus.
Period-end balance (RMB10 thousand)	The balance of the renewable corporate bonds, "18 Haiji Y1" and the corporate bond, "19 Haiji 01" for the end of the year is RMB0.00.
Operation of special account for the funds raised	The special account for the funds raised of the renewable corporate bonds, "18 Haiji Y1" and the corporate bond, "19 Haiji 01" are 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 of the renewable corporate bonds, "18 Haiji Y1" and the corporate bond, "19 Haiji 01" is consistent with the commitments, the planned use and other agreements in the prospectus.

Chapter X Relevant Information about Corporate Bonds

IV. CORPORATE BOND RATING

On 27 May 2020, China Chengxin International Credit Rating Co., Ltd. issued “Credit Rating Report on 2018 public offering of renewable corporate bonds (tranche 1) and 2019 public offering of corporate bonds (tranche 1) of China International Marine Containers (Group) Co., Ltd. for qualified investors (2020)” (《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)、2019年面向合格投資者公開發行公司債券(第一期)跟蹤評級報告(2020)》), and the main credit rating of the Company is AAA with the rating prospect of “Stable”. The result has no difference with the last rating result. The debt financing instruments issued by the Company in the interbank bond market were all ranked AAA with no difference existed.

The rating reports on the Company issued by China Chengxin International Credit Rating Co., Ltd. were published on the website of Shenzhen Stock Exchange (<http://www.szse.cn/>) and the website of China Chengxin Securities Rating Co., Ltd. (www.ccxr.com.cn).

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 debt repayment safeguard measures of the renewable corporate bonds, “18 Haiji Y1” and the corporate bonds, “19 Haiji 01”.

During the Reporting Period, the Company strictly implemented debt repayment schedule and debt repayment safeguard measures of the renewable corporate bonds, “18 Haiji Y1” and the corporate bonds, “19 Haiji 01”, 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 is CITIC Securities Company Limited. During the Reporting Period, CITIC Securities Company Limited strictly performed the relevant obligations as the trustee of bonds according to the agreements in the “Bond Trustee Agreement”, including but not limited to continuously overseeing the credit situation and the utilization and management of the funds raised in the special account designated by the Company.

On 22 June 2020, the Company disclosed “Provisional Trustee Management Report on Corporate Bonds of China International Marine Containers (Group) Co., Ltd. Issued by CITIC Securities Company Limited” on the Cninfo website. It also disclosed the latest development on the litigation against Enric, a subsidiary of the Company.

On 23 June 2020, the Company disclosed the “Trustee Management Report on 2019 Public Offering of Corporate Bonds of China International Marine Containers (Group) Co., Ltd. Issued by CITIC Securities Company Limited (2019)” on the Cninfo website, including bonds issuance, the operation and finance of issuers for 2019, the utilization of funds raised by issuers and bonds tracking rating.

Chapter X Relevant Information about Corporate Bonds

As for the potential conflict of interests, CITIC Securities Company Limited 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.

VIII. MAJOR ACCOUNTING DATA AND FINANCIAL INDEXES OF THE COMPANY AS OF THE END OF THE REPORTING PERIOD AND THE END OF LAST YEAR

Items	As of the end of the Reporting Period	As of the end of last year	Percentage of change
Current ratio	1.2760	1.2821	0.48%
Gearing ratio	68.31%	68.02%	0.29%
Quick ratio	0.7397	0.6906	7.11%

	During the Reporting Period	During the same period of last year	Percentage of change
EBITDA interest coverage ratio	2.35	3.89	(39.59%)
Loan repayment ratio	100%	100%	–
Interest repayment ratio	100%	100%	–

The main 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%:

The significant decline in EBITDA interest coverage ratio for the current period was mainly due to the decrease in EBITDA for the current period.

IX. OVERDUE INDEBTEDNESS OF THE COMPANY

Applicable Not applicable

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.

Chapter X Relevant Information about Corporate Bonds

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

As of the end of June 2020, the Company obtained comprehensive credit facilities from various banks of RMB179.906 billion, out of which RMB66.240 billion was utilized, and the unutilized facilities amounted to RMB113.666 billion. During the Reporting Period, the Company has repaid all bank loans on time without extension and reduction.

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" and "19 Haiji 01".

XIII. MAJOR ISSUES OCCURRED DURING THE REPORTING PERIOD

During the Reporting Period, Enric Shenzhen, a subsidiary of the Company has received a first-instance judgment on the case regarding the equity transfer disputes with SOEG PTE LTD ("SOEG"), and Enric Shenzhen has been given a favourable first-instance judgment in the case regarding the equity transfer disputes with SOEG. In August 2020, Enric Shenzhen received the SOEG petition served by the Nantong Intermediate People's Court of Jiangsu Province, and the case will then be transferred to the Jiangsu Province High People's Court for second instance. Please refer to the announcements published on the Cninfo website (www.cninfo.com.cn) on 15 June 2020 and 12 August 2020 for details.

XIV. GUARANTOR FOR THE CORPORATE BOND

Yes No

The guarantor of the Company is legal person or other organization

Yes No Not Applicable

Whether guarantor's financial statement for the Reporting Period, including balance sheet, statement of profits, statement of cash flows and statement of changes in owners' equity shall be disclosed within two months commencing from the closing date of the first half of each financial year

Yes No Not Applicable

Chapter XI 2020 Interim Financial Report (Unaudited)

CONSOLIDATED BALANCE SHEET

As at 30 June 2020

(Unit: RMB thousand)

(English Translation for Reference Only)

	Note	30 June 2020	31 December 2019
ASSETS			
Current assets:			
Cash at bank and on hand	IV.1	12,571,219	9,714,792
Financial assets held for trading	IV.2	358,355	415,503
Derivative financial assets	IV.3	66,477	100,980
Notes receivables	IV.4	798,529	636,619
Accounts receivables	IV.5	18,570,633	18,394,971
Receivables financing	IV.6	1,356,435	1,236,504
Advances to suppliers	IV.8	2,961,054	2,887,353
Other receivables	IV.7	7,944,949	7,591,488
Inventories	IV.9	38,301,222	41,302,279
Contract assets	IV.10	1,885,255	1,946,010
Assets held for sale	IV.11	–	93,102
Current portion of non-current assets	IV.12	4,240,578	4,294,669
Other current assets	IV.13	1,471,266	1,408,857
Total current assets		90,525,972	90,023,127
Non-current assets:			
Other debt investments	IV.14	–	31,272
Long-term receivables	IV.17	13,257,579	13,777,669
Long-term equity investments	IV.18	5,697,697	5,363,574
Other equity investments	IV.15	1,229,197	1,373,385
Other non-current financial assets	IV.16	12	74,445
Investment properties	IV.19	7,016,158	2,769,715
Fixed assets	IV.20	37,620,006	37,849,258
Construction in progress	IV.21	10,601,568	9,827,563
Intangible assets	IV.22	5,074,507	5,157,551
Right-of-use assets	IV.23	813,000	971,211
Development expenditures	IV.22	106,971	94,078
Goodwill	IV.24	2,220,283	2,182,326
Long-term prepaid expenses	IV.25	728,914	753,154
Deferred tax assets	IV.26	2,009,285	1,800,265
Other non-current assets	IV.27	46,503	58,928
Total non-current assets		86,421,680	82,084,394
TOTAL ASSETS		176,947,652	172,107,521

Chapter XI 2020 Interim Financial Report (Unaudited)

CONSOLIDATED BALANCE SHEET (CONTINUED)

As at 30 June 2020

(Unit: RMB thousand)

(English Translation for Reference Only)

	Note	30 June 2020	31 December 2019
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Short-term borrowings	IV.30	17,939,019	17,557,197
Derivative financial liabilities	IV.3	537,395	352,167
Notes payables	IV.31	2,291,256	2,581,139
Accounts payables	IV.32	13,264,068	12,745,264
Advances from customers	IV.33	27,759	40,683
Contract liabilities	IV.34	9,714,662	9,000,821
Employee benefits payable	IV.35	3,197,955	3,441,555
Taxes payable	IV.36	1,847,182	1,851,771
Other payables	IV.37	13,715,754	11,877,217
Provisions	IV.38	1,454,596	1,482,975
Current portion of non-current liabilities	IV.39	4,476,850	9,616,415
Other current liabilities	IV.40	2,138,596	4,106
Total current liabilities		70,605,092	70,551,310
Non-current liabilities:			
Long-term borrowings	IV.41	33,513,835	30,918,302
Debentures payable	IV.42	8,009,047	8,014,049
Lease Liabilities	IV.43	610,472	667,964
Long-term payables		178,093	108,227
Deferred income	IV.44	1,156,434	1,096,605
Deferred tax liabilities	IV.26	4,558,554	4,330,065
Other non-current liabilities	IV.45	2,237,794	1,383,021
Total non-current liabilities		50,264,229	46,518,233
Total liabilities		120,869,321	117,069,543
Shareholders' equity:			
Share capital	IV.46	3,586,075	3,584,504
Other equity instruments	IV.47	6,111,060	4,007,545
Including: Perpetual bonds		6,111,060	4,007,545
Capital reserve	IV.48	4,840,230	4,881,311
Other comprehensive income	IV.49	1,576,674	1,715,326
Surplus reserve	IV.50	3,582,343	3,582,343
Undistributed profits	IV.51	20,750,827	21,482,857
Total equity attributable to shareholders and other equity holders of the Company		40,447,209	39,253,886
Minority interests		15,631,122	15,784,092
Total shareholders' equity		56,078,331	55,037,978
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		176,947,652	172,107,521

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 XI 2020 Interim Financial Report (Unaudited)

BALANCE SHEET OF THE COMPANY

As at 30 June 2020

(Unit: RMB thousand)

(English Translation for Reference Only)

	Note	30 June 2020	31 December 2019
ASSETS			
Current assets:			
Cash at bank and on hand	XVI.1	1,361,578	1,576,298
Derivative financial assets		793	4,781
Notes receivables		–	100
Other receivables	XVI.2	26,437,030	25,625,655
Other current assets		816	96
Total current assets		27,800,217	27,206,930
Non-current assets:			
Other equity investments	XVI.3	623,487	728,037
Long-term equity investments	XVI.4	13,526,563	12,836,563
Investment properties		117,347	117,347
Fixed assets	XVI.5	130,652	133,544
Construction in progress		50,489	43,687
Intangible assets		90,137	89,776
Long-term prepaid expenses		6,853	10,280
Deferred tax assets	XVI.12	43,832	56,075
Total non-current assets		14,589,360	14,015,309
TOTAL ASSETS		42,389,577	41,222,239

Chapter XI 2020 Interim Financial Report (Unaudited)

BALANCE SHEET OF THE COMPANY (CONTINUED)

As at 30 June 2020

(Unit: RMB thousand)

(English Translation for Reference Only)

	Note	30 June 2020	31 December 2019
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Short-term borrowings	XVI.6	5,262,548	6,460,000
Derivative financial liabilities		418	3,379
Employee benefits payable		292,521	342,521
Taxes payable	XVI.7	7,482	23,792
Other payables	XVI.8	697,349	755,251
Current portion of non-current liabilities	XVI.9	–	800,000
Total current liabilities		6,260,318	8,384,943
Non-current liabilities:			
Long-term borrowings	XVI.10	4,506,000	3,409,000
Debentures payable	XVI.11	8,000,000	8,000,000
Provisions		18,680	18,680
Deferred income		12,644	14,680
Total non-current liabilities		12,537,324	11,442,360
Total liabilities		18,797,642	19,827,303
Shareholders' equity:			
Share capital	IV.46	3,586,075	3,584,504
Other equity instruments	IV.47	6,111,060	4,007,545
Including: Perpetual bonds		6,111,060	4,007,545
Capital reserve	XVI.13	2,769,317	2,758,230
Other comprehensive income	XVI.14	365,950	470,500
Surplus reserve	IV.50	3,582,343	3,582,343
Undistributed profits	XVI.15	7,177,190	6,991,814
Total equity attributable to shareholders and other equity holders		23,591,935	21,394,936
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		42,389,577	41,222,239

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 XI 2020 Interim Financial Report (Unaudited)

CONSOLIDATED INCOME STATEMENT

January to June 2020

(Unit: RMB thousand)

(English Translation for Reference Only)

Items	Note	For the Period from 1 January to 30 June 2020	For the Period from 1 January to 30 June 2019
I. Revenue	IV.52	39,431,807	42,717,729
Less: Cost of sales	IV.52	34,366,232	36,947,210
Taxes and surcharges	IV.53	341,867	330,047
Selling and distribution expenses	IV.54	931,718	952,981
General and administrative expenses	IV.55	2,080,199	2,189,191
Research and development expenses	IV.56	589,085	537,657
Financial expenses	IV.57	674,273	561,019
Including: Interest expenses		891,761	874,784
Interest income		(211,190)	(371,671)
Asset impairment losses	IV.63	16,840	(129)
Credit losses	IV.64	92,273	50,798
Add: Other income	IV.62	358,619	428,719
Investment income	IV.60	118,283	89,208
Including: Share of profit of associates and joint ventures		54,891	25,064
Fair value losses	IV.59	(337,487)	(203,183)
Gains on disposals of assets	IV.61	109,946	54,818
II. Operating profit		588,681	1,518,517
Add: Non-operating income	IV.65	83,485	165,859
Less: Non-operating expenses	IV.66	30,816	44,220
III. Profit before income tax		641,350	1,640,156
Less: Income tax expenses	IV.67	399,132	537,936
IV. Net profit		242,218	1,102,220
Classified by business continuity			
Net profit from continuing operations		242,218	1,102,220
Net profit from discontinued operations		-	-
Classified by ownership			
Net (losses)/profit attributable to shareholders and other equity holders of the Company		(182,797)	679,829
Non-controlling interests		425,015	422,391

Chapter XI 2020 Interim Financial Report (Unaudited)

CONSOLIDATED INCOME STATEMENT (CONTINUED)

January to June 2020

(Unit: RMB thousand)

(English Translation for Reference Only)

	Note	For the Period from 1 January to 30 June 2020	For the Period from 1 January to 30 June 2019
V. Other comprehensive income, net of tax	IV.49	(122,442)	324,619
Attributable to shareholders and other equity holders of the Company		(138,652)	305,940
Items that will not be reclassified to profit or loss		(174,988)	34,993
Changes in fair value of other equity investments		(174,988)	34,993
Items that may be reclassified to profit or loss		36,336	270,947
Changes in fair value of other debt investments		5	349
Loss of cash flow hedges		–	(142)
Revaluation gain on the date of transfer from owner-occupied properties to investment properties		–	116,819
Currency translation differences		36,331	153,921
Minority interests		16,210	18,679
VI. Total comprehensive income		119,776	1,426,839
Attributable to shareholders and other equity holders of the Company		(321,449)	985,769
Minority interests		441,225	441,070
VII. Earnings per share			
Basic earnings per share (RMB)	IV.68	(0.0841)	0.1618
Diluted earnings per share (RMB)	IV.68	(0.0841)	0.1604

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 XI 2020 Interim Financial Report (Unaudited)

INCOME STATEMENT OF THE COMPANY

January to June 2020

(Unit: RMB thousand)

(English Translation for Reference Only)

Items	Note	For the Period from 1 January to 30 June 2020	For the Period from 1 January to 30 June 2019
I. Revenue	XVI.16	88,254	124,533
Less: Cost of sales	XVI.16	-	2,130
Taxes and surcharges		3,139	3,282
General and administrative expenses		82,118	143,498
Research and development expenses		2,964	1,774
Financial expenses – net	XVI.17	(108,240)	41,513
Including: Interest expenses		418,562	468,752
Interest income		(393,776)	(411,609)
Add: Other income		4,833	5,526
Investment Income	XVI.19	634,473	1,539,517
Fair value losses		(1,027)	(339)
Gains on disposal of assets		300	-
II. Operating profit		746,852	1,477,040
Add: Non-operating income		-	-
Less: Non-operating expenses	XVI.20	-	2
III. Profit before income tax		746,852	1,477,038
Less: Income tax expenses	XVI.21	12,243	4,715
IV. Net profit		734,609	1,472,323
Classified by business continuity			
Net profit from continuing operations		734,609	1,472,323
Net profit from discontinued operations		-	-
V. Other comprehensive income, net of tax	XVI.14	(104,550)	92,202
Items that will not be reclassified to profit or loss		(104,550)	(24,617)
Changes in fair value of other equity investments		(104,550)	(24,617)
Items that may be reclassified 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		630,059	1,564,525

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 XI 2020 Interim Financial Report (Unaudited)

CONSOLIDATED CASH FLOW STATEMENT

January to June 2020

(Unit: RMB thousand)

(English Translation for Reference Only)

Items	Note	For the Period from 1 January to 30 June 2020	For the Period from 1 January to 30 June 2019
I. Cash flows from operating activities			
Cash received from sales of goods or rendering of services		38,923,567	43,085,330
Refund of taxes and surcharges		879,907	1,454,095
Cash received relating to other operating activities	IV.69(1)	625,741	559,297
Sub-total of cash inflows		40,429,215	45,098,722
Cash paid for goods and services		31,024,341	39,449,095
Cash paid to and on behalf of employees		4,107,621	3,680,612
Payments of taxes and surcharges		1,320,942	2,294,007
Cash paid relating to other operating activities	IV.69(2)	1,733,400	1,777,420
Sub-total of cash outflows		38,186,304	47,201,134
Net cash inflows from operating activities	IV.70(1)	2,242,911	(2,102,412)
II. Cash flows from investing activities			
Cash received from disposal of investments		101,169	15,927
Cash received from returns on investments		40,955	125,817
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		233,374	60,545
Net cash received from disposal of subsidiaries		67,969	11,948
Cash received relating to other investing activities	IV.69(3)	-	51,285
Sub-total of cash inflows from investing activities		443,467	265,522
Cash paid to acquire fixed assets, intangible assets and other long-term assets		871,270	1,764,802
Cash paid to acquire investments		397,365	1,521,326
Net cash paid to acquire subsidiaries		37,431	104,649
Cash paid relating to other investing activities	IV.69(4)	23,273	-
Sub-total of cash outflows		1,329,339	3,390,777
Net cash outflows from investing activities		(885,872)	(3,125,255)

Chapter XI 2020 Interim Financial Report (Unaudited)

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

January to June 2020

(Unit: RMB thousand)

(English Translation for Reference Only)

Note	For the Period from 1 January to 30 June 2020	For the Period from 1 January to 30 June 2019
III. Cash flows from financing activities		
Cash received from capital contributions	137,054	114,680
Including: Cash received from capital contributions by minority shareholders of subsidiaries	124,517	114,680
Cash received from issuing perpetual bonds	2,000,000	–
Cash received from borrowings	28,737,111	18,394,706
Cash received from issuing bonds	–	2,000,000
Cash received relating to other financing activities IV.69(5)	565,333	2,084,235
Sub-total of cash inflows	31,439,498	22,593,621
Cash repayments of borrowings	28,643,273	19,246,889
Cash payments for distribution of dividends or profits and interest expenses	2,023,921	2,807,235
Including: Cash payments for dividends or profit to minority shareholders of subsidiaries	290,596	351,543
Cash payments relating to other financing activities IV.69(6)	210,974	112,398
Sub-total of cash outflows	30,878,168	22,166,522
Net cash inflows from financing activities	561,330	427,099
IV. Effect of foreign exchange rate changes on cash and cash equivalents	(42,907)	(365,481)
V. Net increase/(decrease) in cash and cash equivalents		
Add: Cash and cash equivalents at the beginning of the year IV.70(1)	1,875,462	(5,166,049)
	8,659,885	10,532,753
VI. Cash and cash equivalents at the end of the period	10,535,347	5,366,704

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 XI 2020 Interim Financial Report (Unaudited)

CASH FLOW STATEMENT OF THE COMPANY

January to June 2020

(Unit: RMB thousand)

(English Translation for Reference Only)

Items	Note	For the Period from 1 January to 30 June 2020	For the Period from 1 January to 30 June 2019
I. Cash flows from operating activities			
Cash received from sales of goods or rendering of services		323,282	192,471
Cash received relating to other operating activities		6,336,404	7,145,525
Sub-total of cash inflows		6,659,686	7,337,996
Cash paid to and on behalf of employees		103,083	100,675
Payments of taxes and surcharges		40,165	41,270
Cash paid relating to other operating activities		7,052,128	7,733,436
Sub-total of cash outflows		7,195,376	7,875,381
Net cash outflows from operating activities	XVI.22	(535,690)	(537,385)
II. Cash flows from investing activities			
Cash received from returns on investments		604,167	1,586,478
Net cash received from disposal of fixed assets		69	-
Net Cash received from disposal of subsidiaries		-	44,075
Sub-total of cash inflows		604,236	1,630,553
Cash paid to acquire fixed assets and other long-term assets		15,197	1,754
Net cash paid to acquire subsidiaries		690,000	200,000
Sub-total of cash outflows		705,197	201,754
Net cash inflows from investing activities		(100,961)	1,428,799
III. Cash flows from financing activities			
Cash received from capital contributions		12,537	-
Cash received from borrowings		12,805,444	6,980,000
Cash received from issuing perpetual bonds		2,000,000	-
Cash received from issuing bonds		-	2,000,000
Sub-total of cash inflows		14,817,981	8,980,000
Cash repayments of borrowings		12,605,895	7,990,000
Cash payments for distribution of dividends or profits and interest expenses		684,725	1,601,821
Cash payments relating to other financing activities		5,602	15,531
Sub-total of cash outflows		13,296,222	9,607,352
Net cash inflows from financing activities		1,521,759	(627,352)
IV. Effect of foreign exchange rate changes on cash and cash equivalents		23	(4,167)
V. Net increase in cash and cash equivalents	XVI.22	885,131	259,895
Add: Cash and cash equivalents at the beginning of the year		452,966	721,395
VI. Cash and cash equivalents at the end of the period	XVI.22	1,338,097	981,290

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

Legal representative's
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The person in charge of
accounting affairs:
Zeng Han

The head of the accounting
department:
Zeng Han

Chapter XI 2020 Interim Financial Report (Unaudited)

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

January to June 2020
(Unit: RMB thousand)

(English Translation for Reference Only)

Items	Note	For the period from 1 January to 30 June 2020										2019					
		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 surplus	Other comprehensive income	Surplus reserve	Undistributed profits	Minority interest	Total shareholders' equity	Share capital	Other equity instruments	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits	Minority interest	Total shareholders' equity
I. Balance as at 31 December 2019		3,584,504	4,007,545	4,881,311	1,715,326	3,582,343	21,482,857	15,784,092	55,037,978	2,984,989	4,007,545	4,128,400	838,711	3,282,585	22,082,769	15,077,989	52,402,988
Changes in accounting policies																	
II. Balance as at 1 January 2020		3,584,504	4,007,545	4,881,311	1,715,326	3,582,343	21,482,857	15,784,092	55,037,978	2,984,989	4,007,545	4,128,400	838,711	3,282,585	22,082,769	15,077,989	52,402,988
III. Movements for the period																	
(i) Total comprehensive income																	
1. Net profit	IV.49	-	118,885	-	(138,652)	-	(301,682)	425,015	242,218	-	200,400	-	876,615	1,341,826	967,887	2,510,113	
2. Other comprehensive income		-	-	-	-	-	-	16,210	(122,442)	-	-	-	-	-	-	1,075,476	
Sub-total of 1 & 2		-	118,885	-	(138,652)	-	(301,682)	441,225	119,776	-	200,400	-	876,615	1,341,826	1,166,748	3,585,589	
(ii) Capital contribution and withdrawal by owners																	
1. Increase in capital reserve resulted from share option exercised by company	IV.46			11,087	-	-	-	-	12,658	2,427	18,113	-	-	-	-	20,540	
2. Contributions by minority Shareholders	IV.48			(55,137)	-	-	-	210,088	154,871	-	15,669	-	-	-	2,779,045	2,744,714	
3. Increase in minority interests resulted from acquisition or establishment of subsidiary				(5,301)	-	-	-	95,236	89,935	-	-	-	-	-	458,984	458,984	
4. Acquisition of minority interests of subsidiaries	IV.48			882	-	-	-	(26,210)	(25,328)	-	506	-	-	-	(84,347)	(83,841)	
5. Disposal of subsidiaries (without loss of control)	IV.48			-	-	-	-	-	-	-	23,150	-	-	-	(3,088,425)	(3,065,275)	
6. Disposal of subsidiaries (loss of control)				-	-	-	-	(134,038)	(134,038)	-	-	-	-	-	(92,469)	(92,469)	
7. Increase in capital reserve resulted from share option exercised by subsidiary	IV.48			(30)	-	-	-	146	116	-	(1,487)	-	-	-	45,905	44,418	
8. Increase in shareholders' equity resulted from share-based payments	IX.2			4,488	-	-	-	2,093	6,581	-	39,326	-	-	-	18,042	57,368	
9. Redemption of the buyback options granted to minority Shareholders	IV.47			-	-	-	-	-	-	-	-	-	-	-	-	-	
10. Issuance of other equity instruments	IV.47			2,000,000	-	-	-	2,000,000	-	-	-	-	-	-	-	-	
11. Redemption of other equity instruments	IV.47			-	-	-	-	-	-	-	-	-	-	-	-	-	
12. Reverse the repurchase right granted to minority Shareholders	IV.48			-	-	-	-	-	-	-	1,249,826	-	-	-	-	1,249,826	
13. Increase in capital from capital reserve	IV.46			-	-	-	-	-	-	-	-	-	-	-	-	-	
14. Others	IV.48			2,930	-	-	-	2,930	2,930	597,088	(597,088)	-	-	-	-	4,896	
(iii) Profit distribution																	
1. Appropriation to surplus reserves	IV.50			-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Profit distribution to shareholders	IV.51			-	-	-	(430,348)	(741,430)	(1,171,778)	-	-	-	-	299,738	(299,738)	-	
3. Interest paid on other equity instruments	IV.47			(15,370)	-	-	-	-	(15,370)	(200,400)	-	-	-	(1,641,980)	(447,380)	(2,089,360)	
IV. Balance at 30 June 2020		3,586,075	6,111,060	4,840,230	1,576,674	3,582,343	20,750,827	15,631,122	56,078,331	3,584,504	4,007,545	4,881,311	1,715,326	3,582,343	21,482,857	15,784,092	55,037,978

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 XI 2020 Interim Financial Report (Unaudited)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY OF THE COMPANY

January to June 2020

(Unit: RMB thousand)

(English Translation for Reference Only)

Items	Note	For the Period from 1 January to 30 June 2020							2019						
		Share capital	Other equity instruments	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits	Total shareholders' equity	Share capital	Other equity instruments	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits	Total shareholders' equity
I. Balance at 31 December 2018		3,584,504	4,007,545	2,758,230	470,500	3,582,343	6,991,814	21,394,936	2,984,989	4,007,545	3,337,205	344,122	3,282,585	2,750,998	16,707,044
Change in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Balance at 1 January 2019		3,584,504	4,007,545	2,758,230	470,500	3,582,343	6,991,814	21,394,936	2,984,989	4,007,545	3,337,205	344,122	3,282,585	2,750,998	16,707,044
III. Movements for the period															
(i) Total comprehensive income		-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Net profit	XVI,14	-	118,885	-	-	-	615,724	734,609	-	200,400	-	-	-	6,182,954	6,383,354
2. Other comprehensive income		-	-	-	(104,550)	-	-	(104,550)	-	-	-	126,378	-	-	126,378
Sub-total of 1 & 2		-	118,885	-	-	-	615,724	630,059	-	200,400	-	126,378	-	6,182,954	6,509,732
(ii) Capital contribution and withdrawal by owners															
1. Increase in shareholders' equity resulted from share-based payment		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Increase in capital reserve resulted from share option exercised by company	IV.46	1,571	-	11,087	-	-	-	12,658	2,427	-	18,113	-	-	-	20,540
3. Issuance of other equity instruments	IV.48	-	2,000,000	-	-	-	-	2,000,000	-	-	-	-	-	-	-
4. Redemption of other equity instruments	IV.47	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Increase in capital from capital reserve	IV.47	-	-	-	-	-	-	-	597,088	-	(697,088)	-	-	-	-
(iii) Profit distribution															
1. Appropriation to surplus reserves	IV.50	-	-	-	-	-	-	-	-	-	-	-	299,758	(299,758)	-
2. Profit distribution to shareholders	IV.51	-	-	-	-	-	(430,348)	(430,348)	-	-	-	-	-	(1,641,980)	(1,641,980)
3. Interest paid on other equity instruments	IV.47	-	(15,370)	-	-	-	-	(15,370)	-	(200,400)	-	-	-	-	(200,400)
IV. Balance at 31 December 2019		3,586,075	6,111,060	2,769,317	365,950	3,582,343	7,177,190	23,591,935	3,584,504	4,007,545	2,758,230	470,500	3,582,343	6,991,814	21,394,936

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

Notes to the Financial Statements

For the period started from 1 January and ended 30 June 2020
 (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, as approved by "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, the Company issued ordinary shares denominated in Renminbi for domestic investors (A Shares) and foreign shares listed domestically for overseas investors (B shares), and commenced trading on Shenzhen Stock Exchange. 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 Board 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 on 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 on 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.

Notes to the Financial Statements

For the period started from 1 January and ended 30 June 2020
(All amounts in RMB'000 unless otherwise stated)
(English Translation for Reference Only)

I. GENERAL INFORMATION (CONTINUED)

CIMC Vehicles (Group) Co., Ltd. ("CIMC Vehicles"), the subsidiary of the Group, is listed on the Main Board of the Hong Kong Stock Exchange. CIMC Vehicles primarily engages in the manufacture and sale of semi-trailers and truck bodies for specialty vehicles. The semi-trailer product lines mainly include chassis and flatbed trailers, fence trailers, tank trailers, refrigerated trailers and van trailers. The truck body product lines mainly include dump beds for dump trucks and mixers for mixer trucks.

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.

The financial statements have been approved for announcement by the Company's Board of Directors on 27 August 2020.

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 amortization 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 (2010 revised) 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 from the period of 1 January 2020 to the period of 30 June 2020 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 2020, and of their financial performance, cash flows and other information for the period 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 2020

(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 recognized in profit or loss for the current period when occurred. 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 recognized as goodwill (see Note II.18). When 1) is less than 2), the difference is recognized 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 recognized 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 recognized in profit or loss. The acquiree's identifiable asset, liabilities and contingent liabilities, if satisfying the recognition criteria, are recognized 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.

Notes to the Financial Statements

For the period started from 1 January and ended 30 June 2020
(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

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 recognized as investment income for the current period; the amount recognized 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 derecognizes 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 recognized 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 2020

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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 recognized 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 recognizing 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.

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 recognized 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 recognized in profit or loss, except for the differences arising from the translation of other equity investments, which are recognized as other comprehensive income. The effect of exchange rate changes on cash presented separately in the cash flow statement.

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

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

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 recognized in a separate component of equity. Upon disposal of a foreign operation, the cumulative amount of the translation differences recognized 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 recognized.

(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 amortized 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").

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 recognized as the initial recognition amount.

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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

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 amortized 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 recognized in profit or loss. Such financial assets mainly include receivables financing, other debt investment, etc. Other debt investments due within one year (including one year) of the Group 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.

At fair value through profit or loss:

Debt instruments held by the Group that are measured neither at amortized 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.

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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)*

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 recognized in current profit or loss.

(b) *Impairment*

The Group recognizes loss provision based on expected credit losses for financial assets at amortized cost, debt investments at fair value through profit or loss, contract assets, lease receivables 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 recognized 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.

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

9. Financial instruments (Continued)

(1) Financial Assets (Continued)

(b) Impairment (Continued)

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 amortized cost and the effect interest rate after the impairment provisions.

For notes receivables, accounts receivables, receivables financing and contract assets incurred from daily business activities such as selling goods and providing services, regardless of whether there is a significant financing component, the Group measures the loss reserves according to the expected credit loss of the lifetime expected credit losses. Same to the lease receivables. The contract assets are related to the unbilled 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.

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 manufacturing business
Accounts Receivables Portfolio 2	Road transportation vehicles business
Accounts Receivables Portfolio 3	Energy, chemical and liquid food equipment business
Accounts Receivables Portfolio 4	Offshore engineering business
Accounts Receivables Portfolio 5	Airport, fire and automated logistics equipment business
Accounts Receivables Portfolio 6	Heavy truck business
Accounts Receivables Portfolio 7	Logistics services business
Accounts Receivables Portfolio 8	Other business

For the accounts receivables, lease receivables, notes receivables and receivables financing incurred from daily business activities such as selling goods and providing services, which was 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.

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

9. Financial instruments (Continued)

(1) Financial Assets (Continued)

(b) Impairment (Continued)

Other than above, for the notes receivables, receivables financing and other 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 in the next 12 months or of its 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 recognizes 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 recognized in profit or loss.

(c) Derecognition

The Group derecognizes 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 de-recognition 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 derecognized, the difference between its book balance and the combination of its received value and the accumulated amount of changes in fair value directly recognized in other comprehensive income is recognized in retained earnings; When other financial assets is derecognized, the difference between the sum of the consideration received and the cumulative amount of changes in fair value that is directly recognized in other comprehensive income originally is recognized in profit or loss.

(2) Financial Liabilities

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

The Group's financial liabilities are mainly measured at amortized 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.

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

9. Financial instruments (Continued)

(2) Financial Liabilities (Continued)

When all or part of the current obligations of a financial liability have been discharged, the Group derecognizes 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 recognized 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 amortization 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.

(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 recognized 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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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 recognized 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 recognized 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 amortized 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.

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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 recognized in profit or loss as allowance for impairment of inventories.

(4) Inventory system

The Group maintains a perpetual inventory system.

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

Reusable materials including low-value consumables and packaging materials are amortized in full when received for use. The amounts of the amortization 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.

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

12. Long-term equity investments (Continued)

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.

(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 recognized 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 recognizes 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 recognizing 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 recognizing 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 recognized. 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 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 recognized in profit or loss for the period in which they are incurred.

The Group adopts fair value model to subsequently measure investment properties and do not provide depreciation or amortization. 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 recognized 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 recognized 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 recognized in profit or loss for the current period; otherwise, it is included in other comprehensive income.

An investment property is derecognized 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 property net of its carrying amount and related taxes and expenses is recognized 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 recognized as a separate fixed asset.

The subsequent costs including the cost of replacing part of an item of fixed assets are recognized in the carrying amount of the item if the to recognize fixed assets criteria are satisfied, and the carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of fixed assets are recognized 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%	9-30%
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 derecognized 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 recognized 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 recognized as financial expenses in the income statement when incurred.

During the capitalisation period, the amount of interest (including amortization 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.

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 recognized amount of the borrowings.

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

16. Borrowing costs (Continued)

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 recognized 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 amortization (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 amortized 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 amortization periods for such intangible assets are as follows:

	Amortization 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 amortization 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 amortized 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 recognized 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 recognized in profit or loss in the period in which they are incurred. Development expenditures previously recognized as expenses are not recognized 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 amortized 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 include the improvement of the right-of-use assets and other expenses that have occurred but should be amortized by the current and future periods and have an amortization period of more than one year, which are amortized on a straight-line method within the beneficial period and are listed as net amount of actual expenses minus accumulated amortization.

The amortization periods for expensed are as follows:

Item	Amortization periods (years)
Mobilization cost of drilling platform	3-5
Improvement expenditure of right-of-use assets	2-10
Others	3-10

20. Impairment of long-term assets

Fixed assets, construction in progress, right-of-use assets, 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 recognized 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 recognized 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 recognized. 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 recognized, 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 recognized 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 recognized 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 recognized 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.

(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.

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

22. Share-based payments (Continued)

(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, recognized 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 recognizes 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, recognizes 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 recognized 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.
- (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 recognize 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 recognized 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 recognized 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 recognized 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 recognizes 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 recognize the revenue after the customer accepts the goods, while overseas sales recognize 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) recognizes 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 recognized when the sale and purchase agreement is executed. When the property is sold in advance of completion, the relevant revenue will be recognized only after the development is completed and the property is delivered to the buyer.

The Group recognizes 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 recognizes 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. Therefore, the Group does not adjust any of the transaction prices for the time value of money.

(3) Revenue from rendering of services

The Group provides external installation and freight forwarding services, and recognizes 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: Revenue is recognized during the period of providing freight forwarding services in accordance with the progress of service completion. The progress of service completion is determined by the proportion of services already provided to the total amount of services that should be provided. If the Group provides logistics transportation services to customers as a principle, the revenue recognized generally includes the carrier's freight charge. Otherwise, the Group acts as an agent and recognizes revenue based on the commissions or service charge, which is based on the total amount of consideration received or receivable minus the consideration payable to other parties, or based on the established commission amount or proportion.

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

23. Revenue recognition (Continued)

(3) Revenue from rendering of services (Continued)

When the Group recognizes the income according to the progress of the completed services, the Group recognizes 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 recognized 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 recognized 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 recognized as costs to fulfil a contract, and when revenue is recognized, 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 recognized as incremental costs of obtaining a contract. For costs of obtaining a contract with amortization period of less than one year, it would be recognized in current profit or loss when it occurs; for costs of obtaining a contract with amortization period of more than one year, it would be amortized 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 recognizes 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 amortization period at the time of initial recognition is more than one year. For costs to fulfil a contract with a amortization period at the time of initial recognition of more than one year, it is presented as inventory, while costs that with amortization period of more than one year is presented as other non-current assets.

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 recognized 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.

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

24. Employee benefits (Continued)

(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 recognized 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 recognized 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 recognized.

The Enterprise annuities plan with payment within one year at the balance sheet date are classified as employee benefits payable.

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 recognized 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 recognized as deferred income, and evenly amortized to profit or loss over the useful life of the related asset by the reasonable and systematic method.

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

25. Government grants (Continued)

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 recognized 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 recognized 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 recognized 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 recognized 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 recognized for a temporary difference arising from the initial recognition of goodwill.

At the balance sheet date, the amount of deferred tax recognized 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 recognized 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 recognized.

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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, 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 lease is a contract whereby, within a certain period of time, the lessor gives the right to use the assets to the lessee in order to obtain consideration.

The Group as the Lessee

At the commencement date, the Group shall recognize the right-of-use asset and measure the lease liability at the present value of the lease payments that are not paid at that date. Lease payments include fixed payments, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease if the lessee exercises an option to terminate the lease. Variable lease payments that are linked to a certain percentage of sales are excluded from lease payments and recognized in profit or loss as incurred. Lease liabilities that are due within one year (inclusive) as from the balance sheet date are included in the current portion of non-current liabilities.

Right-of-use assets comprise leased buildings, lands, machinery and equipment, motor vehicles, office and other equipment, etc. Right-of-use assets are measured initially at cost, which comprises the amount of the initial measurement of lease liabilities, any lease payments made at or before the commencement date and any initial direct costs, less any lease incentives received. If there is reasonable certainty that the Group will obtain ownership of the underlying asset by the end of the lease term, the asset is depreciated over its remaining useful life; otherwise the asset is depreciated over the shorter of the lease term and its remaining useful life. The carrying amount of the right-of-use asset is reduced to the recoverable amount when the recoverable amount is below the carrying amount.

For short-term leases with a term of 12 months or less and leases of an individual asset (when new) of low value, the Group may, instead of recognizing right-of-use assets and lease liabilities, include the lease payments in the cost of the underlying assets or in the profit or loss for the current period on a straight-line basis over the lease term.

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

27. Leases (Continued)

The Group as the Lessor

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of a leased asset to the lessee. An operating lease is a lease other than a finance lease.

(1) Operating leases

Where the Group leases out self-owned buildings, machinery and equipment, and motor vehicles under operating leases, rental income is recognized on a straight-line basis over the lease term. Variable rental that is linked to a certain percentage of sales is recognized in rental income as incurred.

(2) Finance leases

At the commencement date, the Group recognizes the finance lease receivables under a finance lease and derecognizes relevant assets. The finance lease receivables under a finance lease are presented as long-term receivables; the finance lease receivables under a finance lease due within one year (inclusive) as from the balance sheet date are included in the current portion of non-current assets.

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 recognized 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 recognized 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.

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

28. Held for sale and discontinued operations (Continued)

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 recognized 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 recognized as a liability at the balance sheet date but disclosed in the notes separately.

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;

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

30. Related parties (Continued)

- (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;
- (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, and close family members of such individuals.

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.

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

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..

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.

32. Significant changes in accounting policies

There are no significant changes in accounting policies during the period.

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

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 recognized 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 from January to June 2020.

(2) Impairment of long-term assets

As described in Note II.20, long-term assets (including goodwill, fixed assets and 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 is deemed to have been impaired and an impairment loss is recognized.

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 value in use, significant judgements are exercised over the asset's production, selling price, 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 (or 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 recognized impairment provisions of long-term asset.

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

33. Critical accounting estimates and judgements (Continued)

(3) Provision for impairment of inventories

As described in Note II.11, the net realisable value of inventories is under management's regular review, and as a result, provision for impairment of inventories is recognized 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 sales, 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.

(4) Depreciation and amortization 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 amortized over their useful lives after taking into account residual value. The useful lives of the assets are regularly reviewed to determine the depreciation and amortization 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 amortization, the rate of depreciation or amortization 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 recognized 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 recognized based on its stage of completion, is not recognized 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.

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

33. Critical accounting estimates and judgements (Continued)

(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 recognized for tax losses not yet used and temporary deductible differences. As those deferred tax assets can only be recognized 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 recognized 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 recognized 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%

Note 1: The income tax rates applicable to the Group and the major subsidiaries for the year are as follows:

	2020	2019
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	21%	21%
Subsidiaries registered in Germany	15.83–36.13%	15.83–36.13%
Subsidiaries registered in Britain	19%	19%
Subsidiaries registered in Australia	30%	30%
Subsidiaries registered in the Netherlands	25%	25%
Subsidiaries registered in Belgium	25%	29.58%
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%	21.4%
Subsidiaries registered in Cayman Islands	–	–
Subsidiaries registered in Malaysia	24%	24%
Subsidiaries registered in Luxembourg	24.94%	24.94%

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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 recognized as high-tech enterprises in 2018 entitled to 15% preferential rate
2	Xinhui CIMC Special Transportation Equipment Co., Ltd.	25%	15%	Continue to be recognized as high-tech enterprises in 2019 entitled to 15% preferential rate
3	Yangzhou Runyang Logistic Equipment Co., Ltd.	25%	15%	Continue to be recognized as high-tech enterprises in 2017 entitled to 15% preferential rate
4	Yangzhou Tonglee Reefer Container Co., Ltd.	25%	15%	Continue to be recognized as high-tech enterprises in 2018 entitled to 15% preferential rate
5	Shenzhen CIMC Special Vehicle Co., Ltd.	25%	15%	Continue to be recognized as high-tech enterprises in 2017 entitled to 15% preferential rate
6	Zhumadian CIMC Huajun Vehicle Trading Co., Ltd.	25%	15%	Continue to be recognized as high-tech enterprises in 2018 entitled to 15% preferential rate
7	Wuhu CIMC Ruijiang Automobile Co., Ltd.	25%	15%	Continue to be recognized as high-tech enterprises in 2017 entitled to 15% preferential rate
8	Luoyang CIMC Lingyu Automobile Co., Ltd.	25%	15%	Continue to be recognized as high-tech enterprises in 2019 entitled to 15% preferential rate
9	Zhangjiagang CIMC Sanctum Cryogenic Equipment Machinery Co., Ltd.	25%	15%	Continue to be recognized as high-tech enterprises in 2017 entitled to 15% preferential rate
10	Enric (Bengbu) Compressor Co., Ltd.	25%	15%	Continue to be recognized as high-tech enterprises in 2017 entitled to 15% preferential rate
11	Shijiazhuang Enric Gas Equipment Co., Ltd.	25%	15%	Continue to be recognized as high-tech enterprises in 2017 entitled to 15% preferential rate
12	Enric (Lang fang) Energy Equipment Integration Co., Ltd.	25%	15%	Continue to be recognized as high-tech enterprises in 2018 entitled to 15% preferential rate

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III. TAXATION (CONTINUED)

2. Preferential tax treatments (Continued)

The Group's subsidiaries that are entitled to preferential tax treatments are as follows: (Continued)

	Name of enterprises	Local statutory tax rate	Preferential rate	Reasons
13	Jingmen Hongtu Special Aircraft Manufacturing Co., Ltd.	25%	15%	Continue to be recognized as high-tech enterprises in 2018 entitled to 15% preferential rate
14	Nantong CIMC Tank Equipment Co., Ltd.	25%	15%	Continue to be recognized as high-tech enterprises in 2018 entitled to 15% preferential rate
15	Liaoning CIMC Hashenleng Gas Liquefaction Plant Co., Ltd.	25%	15%	Continue to be recognized as high-tech enterprises in 2018 entitled to 15% preferential rate
16	Nantong CIMC Energy Equipment Co, Ltd.	25%	15%	Continue to be recognized as high-tech enterprises in 2017 entitled to 15% preferential rate
17	Enric (Nantong) CIMC Food Equipment Co., Ltd.	25%	15%	Continue to be recognized as high-tech enterprises in 2019 entitled to 15% preferential rate
18	Shenzhen CIMC – TianDa Airport Support Co., Ltd.	25%	15%	Continue to be recognized as high-tech enterprises in 2017 entitled to 15% preferential rate
19	Xinfa Airport Equipment Ltd.	25%	15%	Continue to be recognized 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 recognized as high-tech enterprises in 2019 entitled to 15% preferential rate
21	Shenzhen CIMC Intelligent Technology Co., Ltd.	25%	15%	Continue to be recognized as high-tech enterprises in 2017 entitled to 15% preferential rate
22	CIMC Taicang refrigeration equipment logistics Co., Ltd.	25%	15%	Recognized as high-tech enterprises in 2019 entitled to 15% preferential rate
23	Taicang CIMC Special Logistics Equipment Co., Ltd.	25%	15%	Recognized as high-tech enterprises in 2018 entitled to 15% preferential rate
24	Gansu CIMC Huajun Vehicle Co., Ltd.	25%	15%	Continue to be recognized as high-tech enterprises in 2018 entitled to 15% preferential rate

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III. TAXATION (CONTINUED)

2. Preferential tax treatments (Continued)

The Group's subsidiaries that are entitled to preferential tax treatments are as follows: (Continued)

	Name of enterprises	Local statutory tax rate	Preferential rate	Reasons
25	Jiangmen CIMC Vehicles Co., Ltd.	25%	15%	Recognized as high-tech enterprises in 2019 entitled to 15% preferential rate
26	Qingdao CIMC Reefer Container Manufacture Co., Ltd.	25%	15%	Recognized as high-tech enterprises in 2018 entitled to 15% preferential rate
27	CIMC Vehicles (Liaoning) Co., Ltd.	25%	15%	Recognized as high-tech enterprises in 2018 entitled to 15% preferential rate
28	Yangzhou CIMC Tong Hua Special Vehicle Co., Ltd.	25%	15%	Recognized as high-tech enterprises in 2018 entitled to 15% preferential rate
29	Dongguan CIMC Special Vehicle Co., Ltd.	25%	15%	Recognized as high-tech enterprises in 2018 entitled to 15% preferential rate
30	Zhumadian CIMC Huajun Casting Co., Ltd.	25%	15%	Recognized as high-tech enterprises in 2018 entitled to 15% preferential rate
31	Shandong Master Special Vehicle Co., Ltd.	25%	15%	Recognized as high-tech enterprises in 2019 entitled to 15% preferential rate
32	CIMC Vehicles (Shandong) Co., Ltd.	25%	15%	Recognized as high-tech enterprises in 2019 entitled to 15% preferential rate
33	Jiangsu Baojing Auto Parts Co., Ltd.	25%	15%	Recognized as high-tech enterprises in 2019 entitled to 15% preferential rate

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Please refer to Note VI.1 and IV.18 for the definition of subsidiaries, associates and joint ventures.

I. Cash at bank and on hand

	30 June 2020	31 December 2019
Cash on hand	7,848	5,900
Bank deposits	11,484,382	8,911,227
Other cash balances	1,078,989	797,665
Total	12,571,219	9,714,792
Including: cash abroad	2,143,316	1,798,268

As at 30 June 2020, restricted cash at bank and on hand of the Group amounted to RMB2,166,752,000 (31 December 2019: RMB1,708,360,000), refer to Note IV.29 for details.

As at 30 June 2020, restricted cash at bank and on hand of the Group mentioned above included deposits of Finance Company, the subsidiary of the Company, in the People's Bank of China, amounting to RMB551,829,000 (31 December 2019: RMB381,113,000). Finance Company is a finance institution authorised by the People's Bank of China.

2. Financial assets held for trading

	30 June 2020	31 December 2019
Financial assets held for trading –		
Investments in equity instruments held for trading (i)	152,088	200,206
Investments in debt instruments held for trading (ii)	206,267	215,297
	358,355	415,503

- (i) The equity instruments held for trading are securities listed in the Hong Kong Stock Exchange. The fair value of securities is determined based on the closing price of the last trading day of the Hong Kong Stock Exchange.
- (ii) The debt instruments held for trading are private security investment fund. The fair value of the fund is determined based on the net asset value provided by the fund company as at 30 June 2020 and 31 December 2019.

3. Derivative financial assets and liabilities

	Note	30 June 2020	31 December 2019
Derivative financial assets –			
Forward foreign exchange contracts	(1)	66,458	92,098
Foreign exchange option contracts	(2)	14	56
Future contract	(3)	5	–
Interest rate swap	(4)	–	8,826
		66,477	100,980
Derivative financial liabilities –			
Forward foreign exchange contracts	(1)	94,328	50,595
Foreign exchange option contracts	(2)	119	101
Interest rate swap	(4)	141,643	166
Commitment to minority shareholders	(5)	301,305	301,305
		537,395	352,167

Notes to the Financial Statements

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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 2020, the Group had certain unsettled forward contracts, mainly denominated in USD, JPY, GBP, EUR, HKD, Australian dollar (AUD) and Canadian Dollar (CAD). The nominal value of these contracts amounted to USD1,853,772,000, JPY777,746,000, GBP12,900,000, EUR157,968,000, HKD3,000,000, AUD24,000,000, and CAD1,733,000 respectively. Pursuant to these forward contracts, the Group are required to buy/sell foreign currencies, such as USD, JPY, GBP, EUR, HKD, AUD and CAD 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 2 July 2020 to 20 April 2020.

(2) Foreign exchange option contracts

On 30 June 2020, the Group had certain unsettled forward contracts, mainly denominated in USD, JPY and EUR. The nominal value of these contracts amounted to USD1,200,000, JPY40,000,000 and EUR600,000. Pursuant to these future contracts, the Group are required to buy/sell USD, 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 21 July 2020 to 17 March 2021.

(3) Future contracts

On 30 June 2020, the Group had 2 unsettled future contracts denominated in RMB, with a nominal value amounted to RMB427,000 and a fair value of RMB5,000. The settlement dates of the aforesaid future contracts ranges is 15 October 2020.

(4) Interest rate swap

On 30 June 2020, the Group had 9 unsettled interest swap contracts denominated in USD, with a nominal value amounted to USD2,050,000,000 and a fair value of RMB(162,666,000). The settlement dates of the aforesaid interest swap contracts ranges from 19 April 2021 to 28 June 2021.

(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.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Notes receivables

	30 June 2020	31 December 2019
Bank acceptance notes	669,380	580,043
Trade acceptance notes	131,240	58,068
Less: Provision for bad debts	(2,091)	(1,492)
Total	798,529	636,619

(a) As at 30 June 2020, pledged notes receivables presented in the notes receivables of the Group are as follows:

	30 June 2020
Bank acceptance notes	8,890
Total	8,890

(b) As at 30 June 2020, notes endorsed or discounted but not due, presented as notes receivables of the Group was as follows:

	Derecognized	Not Derecognized
Bank acceptance notes (i)	2,317,059	92,433
Trade acceptance notes	-	3,116
	2,317,059	95,549

(i) For the period from January to June in 2020, only a few bank acceptance notes receivable were endorsed or discounted, and derecognized by the subsidiaries of the Group, therefore the notes were classified as financial assets measured at amortized cost. In addition, due to the needs of daily fund management, the subsidiaries of the Group discounted and endorsed part of the bank acceptance notes. The Group therefore classified the notes as financial assets at fair value through other comprehensive income and disclosed as receivables financing (Note IV(6))

Notes receivable of the Group were generated from daily business activities such as selling goods and providing services. No matter whether there was significant financing component or not, the provision for loss was measured according to the expected credit loss of the whole duration. As at 30 June 2020, the Group's provision for bad debts was RMB2,091,000 (31 December 2019:1,492,000) measured according to the expected credit loss of the whole duration.

(c) Among the above balance, there are no notes receivable from shareholders holding more than 5% (including 5%) of voting shares of the company.

The above notes receivables are all due within one year.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Accounts receivables

	30 June 2020	31 December 2019
Notes receivables	19,616,778	19,530,039
Less: Provision for bad debts	(1,046,145)	(1,135,068)
	18,570,633	18,394,971

(a) Accounts receivables analysed by customer categories are as follows:

	30 June 2020	31 December 2019
Containers manufacturing	6,007,536	5,397,086
Road transportation vehicles	2,990,611	2,384,897
Energy, chemical and liquid food equipment	2,711,557	2,873,133
Offshore engineering	1,093,664	1,316,397
Airport, fire and automated logistics equipment	2,201,261	2,607,812
Logistics services	1,323,306	1,507,332
Heavy truck	1,183,133	1,650,464
Others	2,105,710	1,792,918
Sub-total	19,616,778	19,530,039
Less: provision for bad debts	(1,046,145)	(1,135,068)
Total	18,570,633	18,394,971

(b) The aging analysis of accounts receivables from the date of the initial recognition is as follows:

	30 June 2020	31 December 2019
Within 1 year (inclusive)	17,061,671	17,579,518
1 to 2 years (inclusive)	1,232,188	853,807
2 to 3 years (inclusive)	705,135	672,276
Over 3 years	617,784	424,438
Sub-total	19,616,778	19,530,039
Less: provision for bad debts	(1,046,145)	(1,135,068)
Total	18,570,633	18,394,971

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Accounts receivables (Continued)

- (c) As at 30 June 2020, the five largest balances of accounts receivables are analysed as follows, accumulated by arrearage parties:

	Balance	Provision for bad debts	% of accounts receivables
Total of the five largest accounts receivables	2,438,122	-	12.43%

As at 31 December 2019, the total amount of the top five accounts receivables of the Group was RMB2,533,269,000, accounting for 12.97% of the total accounts receivables.

- (d) Accounts receivables derecognized due to transfer of financial assets:

From January to June 2020 and 2019, the Group has no accounts receivables derecognised due to transfer of financial asset.

- (e) Provision for bad debts

For the receivables of the Group, whether there is a significant financing component or not, the loss provision is measured according to the expected credit loss of the whole duration.

- (i) As at 30 June 2020, accounts receivables with amounts that the related provision for bad debts was set aside on the individual basis are analysed as follows:

	Book balance	Lifetime expected credit losses rate	Provision for bad debts	Reason
Containers manufacturing	3,594,746	2.90%	104,396	
Road transportation vehicles	228,895	12.37%	28,304	
Energy, chemical and liquid food equipment	127,120	56.49%	71,812	The loss provision is measured as lifetime expected credit loss
Offshore engineering	5,444	33.49%	1,823	
Airport, fire and automated logistics equipment	414,884	17.21%	71,402	
Logistics services	368,291	3.30%	12,167	
Heavy truck	336,028	71.67%	240,820	
Others	1,776,495	1.92%	34,166	
	6,851,903		564,890	

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Accounts receivables (Continued)

(e) Provision for bad debts (Continued)

(ii) As at 30 June 2020, receivables that are assessed for impairment on a collective group basis are as follows:

Collectively assessed – Containers manufacturing:

	30 June 2020			31 December 2019		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Lifetime expected credit losses rate	Amount	Amount	Lifetime expected credit losses rate	Amount
Not overdue	2,311,214	0.00%	73	1,628,844	0.02%	320
Overdue within 1 month	20,526	1.55%	318	9,931	0.35%	35
Overdue for 1 to 3 months	5,280	4.41%	233	14,559	0.59%	86
Overdue 3 to 12 months	36,935	5.43%	2,007	92,441	2.71%	2,503
Overdue 1 to 2 years	14,293	9.61%	1,374	101,017	5.77%	5,829
Overdue 2 to 3 years	2,910	57.11%	1,662	519	100.00%	519
Overdue for more than 3 years	21,632	100.00%	21,632	21,315	100.00%	21,315
	2,412,790		27,299	1,868,626		30,607

Collectively assessed – Road transportation vehicles:

	30 June 2020			31 December 2019		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Lifetime expected credit losses rate	Amount	Amount	Lifetime expected credit losses rate	Amount
Not overdue	2,161,252	1.51%	32,538	1,494,656	1.18%	17,623
Overdue within 1 month	183,616	1.39%	2,561	192,751	2.73%	5,259
Overdue for 1 to 3 months	194,780	2.94%	5,732	256,294	3.22%	8,243
Overdue 3 to 12 months	156,988	6.88%	10,806	248,003	4.04%	10,015
Overdue 1 to 2 years	22,689	17.63%	3,999	24,735	16.89%	4,178
Overdue 2 to 3 years	13,202	97.82%	12,914	16,473	58.31%	9,606
Overdue for more than 3 years	29,189	98.50%	28,751	49,947	93.20%	46,550
	2,761,716		97,301	2,282,859		101,474

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Accounts receivables (Continued)

(e) Provision for bad debts (Continued)

(ii) As at 30 June 2020, receivables that are assessed for impairment on a collective group basis are as follows:
(Continued)

Collectively assessed – Energy, chemical and liquid food equipment:

	30 June 2020			31 December 2019		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Lifetime expected credit losses rate	Amount	Amount	Lifetime expected credit losses rate	Amount
Not overdue	1,830,065	0.81%	14,770	1,773,404	0.74%	13,048
Overdue within 1 month	62,038	1.35%	837	94,255	3.57%	3,364
Overdue for 1 to 3 months	153,067	3.86%	5,909	292,027	3.76%	10,976
Overdue 3 to 12 months	273,377	6.00%	16,389	243,930	5.89%	14,367
Overdue 1 to 2 years	103,015	31.37%	32,314	122,565	31.17%	38,199
Overdue 2 to 3 years	34,717	47.65%	16,543	33,834	47.27%	15,995
Overdue for more than 3 years	128,158	80.02%	102,555	138,293	82.20%	113,668
	2,584,437		189,317	2,698,308		209,617

Collectively assessed – Offshore engineering:

	30 June 2020			31 December 2019		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Lifetime expected credit losses rate	Amount	Amount	Lifetime expected credit losses rate	Amount
Not overdue	751,843	0.00%	–	1,279	0.00%	–
Overdue within 1 month	1,425	0.98%	14	1,156,503	1.00%	11,529
Overdue for 1 to 3 months	190,432	1.00%	1,904	40,205	1.00%	404
Overdue 3 to 12 months	10,166	1.00%	102	53,764	1.00%	540
Overdue 1 to 2 years	90,171	1.00%	905	54,019	3.43%	1,854
Overdue for more than 2 years	44,183	35.28%	15,588	7,925	49.78%	3,945
	1,088,220		18,513	1,313,695		18,272

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Accounts receivables (Continued)

(e) Provision for bad debts (Continued)

(ii) As at 30 June 2020, receivables that are assessed for impairment on a collective group basis are as follows: (Continued)

Collectively assessed – Airport, fire and automated logistics equipment:

	30 June 2020			31 December 2019		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Lifetime expected credit losses rate	Amount	Amount	Lifetime expected credit losses rate	Amount
Not overdue	650,828	0.15%	970	1,242,796	0.15%	1,892
Overdue within 1 month	2,753	0.33%	9	17,251	0.76%	131
Overdue for 1 to 3 months	69,617	0.36%	252	62,997	0.86%	543
Overdue 3 to 12 months	844,482	3.40%	28,687	819,257	3.12%	25,574
Overdue 1 to 2 years	169,713	4.61%	7,829	97,907	10.62%	10,399
Overdue 2 to 3 years	34,291	44.08%	15,115	38,560	51.66%	19,922
Overdue for more than 3 years	14,693	67.06%	9,853	15,289	85.64%	13,094
	1,786,377		62,715	2,294,057		71,555

Collectively assessed – Heavy truck:

	30 June 2020			31 December 2019		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Lifetime expected credit losses rate	Amount	Amount	Lifetime expected credit losses rate	Amount
Not overdue	519,736	0.00%	–	1,065,717	0.56%	5,989
Overdue within 1 month	74,108	2.81%	2,081	41,683	2.58%	1,075
Overdue for 1 to 3 months	57,729	5.20%	3,004	58,402	3.67%	2,143
Overdue 3 to 12 months	115,272	6.66%	7,676	61,976	7.98%	4,943
Overdue 1 to 2 years	63,139	41.86%	26,432	11,994	92.25%	11,065
Overdue for more than 2 years	17,121	100.00%	17,121	6,531	92.34%	6,031
	847,105		56,314	1,246,303		31,246

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Accounts receivables (Continued)

(e) Provision for bad debts (Continued)

(ii) As at 30 June 2020, receivables that are assessed for impairment on a collective group basis are as follows:
(Continued)

Collectively assessed – Logistics services:

	30 June 2020			31 December 2019		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Lifetime expected credit losses rate	Amount	Amount	Lifetime expected credit losses rate	Amount
Not overdue	818,614	0.00%	21	1,001,022	0.04%	445
Overdue within 1 month	69,813	0.87%	606	62,685	1.53%	957
Overdue for 1 to 3 months	9,668	3.25%	314	15,683	2.01%	315
Overdue 3 to 12 months	35,650	3.96%	1,412	35,484	4.47%	1,586
Overdue 1 to 2 years	15,080	85.41%	12,880	3,449	38.59%	1,331
Overdue 2 to 3 years	3,498	100.00%	3,498	13,368	88.79%	11,869
Overdue for more than 3 years	2,692	100.00%	2,692	4,352	100.00%	4,352
	955,015		21,423	1,136,043		20,855

Collectively assessed – Others:

	30 June 2020			31 December 2019		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Lifetime expected credit losses rate	Amount	Amount	Lifetime expected credit losses rate	Amount
Not overdue	117,061	0.00%	–	59,412	0.00%	–
Overdue within 1 month	31,145	0.19%	60	3,504	0.00%	–
Overdue for 1 to 3 months	–	–	–	–	–	–
Overdue 3 to 12 months	80,091	3.31%	2,650	152,372	0.18%	275
Overdue 1 to 2 years	100,350	5.16%	5,175	102,428	0.00%	–
Overdue for more than 2 years	568	85.92%	488	14,169	43.41%	6,150
	329,215		8,373	331,885		6,425

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Accounts receivables (Continued)

(f) The provision for bad debts for the period from January to June in 2020 amounted to RMB70,544,000 (For the period from January to June in 2019: RMB52,911,000). A provision for bad debts amounted to RMB34,652,000 has been collected or reversed (For the period from January to June in 2019: RMB30,312,000).

(g) For the period from January to June in 2020, the accounts receivables amounted to RMB103,669,000 was written off (For the period from January to June in 2019: RMB23,277,000), the provision for bad debts amounted to RMB103,669,000 (For the period from January to June in 2019: RMB23,277,000).

(h) Accounts receivables from related parties

As at 30 June 2020, the Group's accounts receivables from related parties amounted to RMB109,029,000 (31 December 2019: RMB95,018,000), accounting for 0.56% of the total accounts receivables (31 December 2019: 0.49%).

Company name	Relationship with the Group	30 June 2019			31 December 2019		
		Amount	% of total balance	Provision for bad debts	Amount	% of total balance	Provision for bad debts
Shaanxi Heavy Duty Automobile Co., Ltd.	Minority shareholders of subsidiaries	41,283	0.21%	-	-	-	-
SUMITOMO CORPORATION ("SUMITOMO")	Minority shareholders of subsidiaries	21,397	0.11%	-	18,067	0.09%	-
Jiangsu Wanjiang	Associate	14,573	0.07%	-	9,736	0.05%	-
Zhejiang Xinlong	Associate	10,869	0.06%	-	10,747	0.06%	-
Dongfang International Container (Ningbo) Co., Ltd. ("Huanyu Dongfang International")	Subsidiary of significant shareholder	6,451	0.03%	-	3,875	0.02%	-
Zhoushan Changhong	Associate	5,004	0.03%	-	703	0.01%	-
NKY Zhenhua	Joint venture	3,423	0.02%	-	5,643	0.03%	-
Tianjin Shounong Dongjiang	Associate	-	-	-	1,863	0.00%	-
Tianzhu International	Associate	-	-	-	497	0.00%	-
CIMC Mobile IoT	Joint venture	-	-	-	442	0.00%	-
Ningbo Mediterranean	Associate	-	-	-	431	0.00%	-
Other related parties		6,029	0.03%	-	43,014	0.23%	-
Total		109,029	0.56%	-	95,018	0.49%	-

As at 30 June 2020 and 31 December 2019, 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 2020	31 December 2019
Receivables financing	1,356,435	1,236,504

Some subsidiaries of the Group discounted and endorsed bank acceptance notes for the needs of daily fund management, and met the conditions of derecognition. Therefore, the bank acceptance notes of the subsidiaries were classified as financial assets at FVOCI.

The Group had no bank acceptance notes with single provision for impairment. As at 30 June 2020, the Group did not have measured provision as lifetime expected credit loss (31 December 2019: Nil). The Group believes there was no significant credit risk of the bank acceptance notes and will not cause significant losses due to bank default.

As at 30 June 2020, the amount of pledged bank acceptance notes receivable disclosed in receivables financing was RMB50,000,000 (31 December 2019: 39,640,000), and the amount of pledged commercial acceptance notes receivable was RMB30,296,000 (31 December 2019: 28,796,000) (Note IV(30)(b)).

As at 30 June 2020, the Group's endorsed or discounted but not yet due notes receivable listed in receivables financing are as follows:

	Derecognized	Not Derecognized
Bank acceptance notes	-	42,273
Trade acceptance notes	3,467,211	664,773

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables

(1) Other receivables analysed by categories are as follows:

		30 June 2020	31 December 2019
Receivables arising from financing for related parities	IV.7(7)	5,103,425	4,084,526
Security deposits		946,126	787,839
Receivables from share capital increase/transfer		427,441	500,490
Inter-bank borrowings of Finance Company		–	453,453
Loans	(i)	433,123	412,964
Tax refund receivables		185,893	244,754
Assets purchased under reverse repurchase agreements	(ii)	130,880	200,000
Government grants receivable		9,200	25,879
Interest receivable		15,871	23,786
Dividends receivable		25,863	16,769
Receivables from demolition compensation		3,310	6,971
Advanced payment of equity transfer and financial grants		21,683	–
Others		869,241	1,075,444
Sub-total		8,172,056	7,832,875
Less: provision for bad debts		(227,107)	(241,387)
Total		7,944,949	7,591,488

(i) Borrowings mainly contained car loan compensation, third party borrowings and petty cash fund for staff.

(ii) Assets purchased under reverse repurchase agreements mainly contained the interbank pledge-style repo transactions of Finance company, one of the subsidiary of the Group.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables (Continued)

(2) Loss provision and changes in book balance

	First stage					Third stage					
	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 (suffered credit impairment) (collectively assessed)		Lifetime expected credit losses (suffered credit impairment) (individually assessed)		Sub-total	Total
	Provision for		Provision for			Provision for		Provision for			
	Book balance	bad debts	Book balance	bad debts	for bad debts	Book balance	bad debts	Book balance	bad debts	for bad debts	for bad debts
31 December 2019	3,401,678	58,829	4,227,896	9,778	68,607	19,900	8,241	183,401	164,539	172,780	241,387
Increase in current period	1,228,122	-	-	-	-	-	-	-	-	-	-
Decrease in current period	(885,140)	(20,603)	(2,920)	-	(20,603)	-	-	(881)	(881)	(881)	(21,484)
Including: Write-off in											
current period	-	(20,373)	-	-	(20,373)	-	-	(881)	(881)	(881)	(21,254)
Derecognise	-	-	-	-	-	-	-	-	-	-	-
Increase/(Reversal) of provision for bad debts in current period (i)	-	7,204	-	-	7,204	-	-	-	-	-	7,204
Transfer to the third stage	-	-	-	-	-	-	-	-	-	-	-
30 June 2020	3,744,660	45,430	4,224,976	9,778	55,208	19,900	8,241	182,520	163,658	171,899	227,107

- (i) Except for changes in provision for bad debts caused by the increased and decreased in other receivables and conversion between the first and third stages, changes in provision for bad debts due to changes in parameters and data used in determining expected credit losses were RMB7,204,000.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables (Continued)

(2) Loss provision and changes in book balance (Continued)

(i) As at 30 June 2020, other receivables that are assessed individually was as follows:

First Stage	Book balance	Expected credit loss rate in the next twelve months	Provision for bad debts	Reason
Loans	36,038	0.01%	5	
Receivables arising from financing for related parities	3,173,050	0.00%	80	Measured provision as expected credit losses in the next twelve months
Receivables from share capital increase/transfer	132,164	0.00%	–	
Security deposits	186,595	0.33%	624	
Tax refund receivables	81,968	0.00%	–	
Receivables from demolition compensation	79	0.00%	–	
Others	615,082	1.47%	9,069	
	4,224,976		9,778	

Third Stage	Book balance	Lifetime expected credit loss rate	Provision for bad debts	Reason
Loans	85,757	99.03%	84,929	Measured provision as lifetime expected credit losses
Receivables from share capital increase/transfer	20,758	100.00%	20,758	
Security deposits	23,485	51.08%	11,997	
Receivables from demolition compensation	3,231	100.00%	3,231	
Others	49,289	86.72%	42,743	
	182,520		163,658	

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables (Continued)

(2) Loss provision and changes in book balance (Continued)

(ii) As at 30 June 2020 and 31 December 2019, other receivables that are assessed collectively was as follows:

	30 June 2020			31 December 2019		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Amount	Accrual rate	Amount	Amount	Accrual rate
First Stage						
Receivables arising from financing for related parties	1,930,375	-	0.00%	911,476	-	-
Receivables from share capital increase/transfer	274,519	-	0.00%	347,568	-	-
Advanced payment of equity transfer and financial grants	21,683	-	0.00%	-	-	-
Loans	311,080	13,106	4.21%	290,921	1,383	0.48%
Assets purchased under reverse repurchase agreements	130,880	-	0.00%	200,000	-	-
Security deposits	733,646	16,805	2.29%	575,359	30,642	5.33%
Receivables from demolition compensation	-	-	-	741	-	-
Tax refund receivables	103,925	12	0.01%	162,786	12	0.01%
Government grants receivable	9,200	-	0.00%	25,879	-	-
Interest receivable	15,871	-	0.00%	23,786	-	-
Dividends receivable	25,863	-	0.00%	16,769	-	-
Inter-bank borrowings of Finance Company	-	-	-	453,453	-	-
Others	187,618	15,507	8.27%	392,940	26,792	6.82%
	3,744,660	45,430		3,401,678	58,829	

	30 June 2020			31 December 2019		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Amount	Accrual rate	Amount	Amount	Accrual rate
Third Stage						
Loans	248	31	12.50%	248	31	12.50%
Security deposits	2,400	1,431	59.63%	2,400	1,431	59.63%
Others	17,252	6,779	39.29%	17,252	6,779	39%
	19,900	8,241		19,900	8,241	-

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables (Continued)

- (3) The provision for bad debts this period amounted to RMB3,159,000 (January to June in 2019: RMB808,000), among which RMB230,000 has been recovered or reversed (January to June in 2019: RMB3,632,000).
- (4) Other receivables written off in current period amounted to RMB21,254,000 (January to June in 2019: RMB3,811,000).
- (5) As at 30 June 2020, the five largest balances of other receivables are analysed as follows:

	Note	Nature	Balance	Aging	% of total balance	Provision for bad debts
China Merchants Shekou Industrial Zone Holdings Co., Ltd ("CMSK")	(i)	Receivables arising from financing for related parities	1,431,908	Within 1 year	17.52%	-
Shenzhen Country Garden Real Estate Investment Co., Ltd ("Shenzhen Country Garden")	(ii)	Receivables arising from financing for related parities	983,304	2 to 3 years	12.03%	-
Dongguan Country Garden Real Estate Group Co., Ltd. ("Dongguan Country Garden")		Receivables arising from financing for related parities	978,055	Within 1 year	11.97%	-
Qujing Zhongbirui Real Estate Development Co., Ltd. ("Qujing Zhongbirui")		Receivables arising from financing for related parities	665,811	1 to 2 years	8.15%	-
Yangzhou Jizhi Real Estate Co., Ltd.		Receivables arising from financing for related parities	410,356	Within 1 year	5.02%	-
Total			4,469,434		54.69%	-

(i) Jida Development, Jiyu Development, SZ Shangqi, and Leyi Real Estate are subsidiaries of the Group. As at 30 October 2019, Leyi Real Estate has entered into the Framework Agreement on the Borrowing of Surplus Funds with CMSK and Jida Development; SZ Shangqi has entered into the Framework Agreement on the Borrowing of Surplus Funds with CMSK and Jiyu Development, pursuant to which Leyi Real Estate shall provide financial assistance to Jida Development and CMSK in proportion to their shareholdings and SZ Shangqi shall provide financial assistance to Jiyu Development and CMSK in proportion to their shareholdings respectively. As at 30 June 2020, the amount of non-interest-bearing current funds provided by SZ Shangqi and Leyi Real Estate to CMSK were RMB1,149,242,000 and RMB282,666,000 respectively, which have not yet been recovered.

(ii) As at 30 June 2020, the amount of RMB978,055,000 provided by Dongguan Zhengyi, a subsidiary of the Group, to Dongguan Country Garden, a subsidiary of the Country Garden Real Estate has not been recovered.

- (6) Other receivables from shareholders holding more than 5% (inclusive) of the voting rights of the Company are analysed as follows:

As at 30 June 2020 and 31 December 2019, no amount due from shareholders holding more than 5% (inclusive) of the voting rights of the Company was included in the above balance of other receivables.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables (Continued)

(7) As at 30 June 2020, other receivables from related parties were analysed as follows:

Company name	Relationship with the Group	30 June 2020				31 December 2019			
		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	3,052,087	Funding	37.35%	-	1,996,083	Funding	25.48%	-
CMSK	Subsidiary of significant shareholder	1,431,908	Funding	17.52%	-	1,431,908	Funding	18.28%	-
Yangzhou Jizhi	Associate	410,356	Funding	5.02%	-	400,013	Funding	5.11%	-
Zhenjiang CIMC Runyu Real Estate Co., Ltd. ("Runyu Real Estate")	Associate and minority shareholders of the Group's subsidiaries	164,916	Funding	2.02%	-	163,067	Funding	2.08%	-
Shanghai Fengyang	Associate	34,204	Funding	0.42%	-	34,204	Funding	0.44%	-
Nantong Xinyang Environmental Protection Panel Co., Ltd. Company ("Nantong Xinyang")	Associate	9,954	Funding	0.12%	-	11,000	Funding	0.14%	-
Shenzhen China Merchants Real Estate Holding Co., Ltd.	Subsidiary of significant shareholder	-	-	-	-	70,650	Transfer of equity	0.90%	-
COSCO SHIPPING Lines Co., Ltd	Subsidiary of significant shareholder	-	-	-	-	48,464	Transfer of equity	0.62%	-
Qingdao Port International	Associate	-	-	-	-	28,045	Funding	0.36%	-
OOS International B.V.	Associate	-	-	-	-	14,790	Funding	0.19%	-
Other related parties		1,827		0.02%	-	5,304		0.07%	-
Total		5,105,252		62.47%	-	4,203,528		53.67%	-

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Advances to suppliers

(1) Advances to suppliers analysed by categories are as follows:

	30 June 2020	30 June 2019
Raw material (including vessels under construction)	2,909,652	2,836,721
Others	88,125	87,746
Sub-total	2,997,777	2,924,467
Less: provision for bad debts	(36,723)	(37,114)
Total	2,961,054	2,887,353

(2) Aging analysis of advances to suppliers is as follows:

	30 June 2020		31 December 2019	
	Amount	% of total balance	Amount	% of total balance
Within 1 year (inclusive)	2,220,059	74.06%	2,108,500	72.10%
1 to 2 years (inclusive)	141,306	4.71%	167,508	5.73%
2 to 3 years (inclusive)	15,156	0.51%	9,143	0.31%
Over 3 years	621,256	20.72%	639,316	21.86%
Sub-total	2,997,777	100.00%	2,924,467	100.00%
Less: provision for bad debts	(36,723)	1.23%	(37,114)	1.27%
Total	2,961,054	98.77%	2,887,353	98.73%

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 engineering business 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.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Advances to suppliers (Continued)

- (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	351,684	11.73%

As at 31 December 2019, the total amount of the Group's five largest advances to suppliers amounted to RMB722,655,000, accounting for 24.71% of the total balance.

- (4) Advances to shareholders who hold more than 5% (inclusive) of the voting rights of the Company

As at 30 June 2020 and 31 December 2019, there is no advances to shareholders who hold more than 5% (inclusive) of the voting rights of the Company.

- (5) Advances to related parties are analysed as follows:

Company name	Relationship with the Group	30 June 2020			31 December 2019		
		Amount	% of total balance	Provision for bad debts	Amount	% of total balance	Provision for bad debts
Shaanxi Heavy Duty Automobile	Minority shareholders of the Group's subsidiaries	1,939	0.06%	-	-	-	-
Suhang Logistics	Minority shareholders of the Group's subsidiaries	4,110	0.14%	-	-	-	-
Shuxiang Technology	Associate of the Group	-	-	-	1,750	0.06%	-
Shenzhen CIMC Tianyi Investment	Associate of the Group	-	-	-	260	0.01%	-
Total		6,049	0.20%	-	2,010	0.07%	-

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Inventories

(1) Inventories summarised by categories are as follows:

	30 June 2020			31 December 2019		
	Book balance	Impairment provision for inventories and costs incurred to fulfil a contract	Book value	Book balance	Impairment provision for inventories and costs incurred to fulfil a contract	Book value
Raw materials	5,928,906	(199,323)	5,729,583	4,491,923	(201,444)	4,290,479
Work in progress	4,092,270	(71,098)	4,021,172	3,910,630	(70,594)	3,840,036
Finished goods	5,017,958	(106,504)	4,911,454	5,627,051	(134,926)	5,492,125
Consignment stocks	50,035	(2)	50,033	140,725	(2)	140,723
Spare parts	235,759	(2,579)	233,180	234,760	(5,524)	229,236
Low-valued consumables	26,811	(317)	26,494	30,397	(314)	30,083
Materials in transit	22,260	-	22,260	27,666	-	27,666
Completed properties	167,023	(13,536)	153,487	264,894	(13,539)	251,355
Properties under development	21,693,916	(4,992)	21,688,924	25,578,254	(4,992)	25,573,262
Offshore engineering project	1,536,781	(113,870)	1,422,911	1,528,546	(112,224)	1,416,322
Costs incurred to fulfil a contract	41,724	-	41,724	10,992	-	10,992
Total	38,813,443	(512,221)	38,301,222	41,845,838	(543,559)	41,302,279

As at 30 June 2020, the Group's closing balance of inventories included capitalized borrowing cost amounting to RMB905,868,000 (31 December 2019: RMB863,642,000). The interest rate per annum at which the borrowing costs were capitalized was 5.35% (January to June 2019: 4.65%).

As at 30 June 2020, restricted Inventories of the Group amounted to RMB7,139,037,000 (31 December 2019: RMB8,018,099,000), refer to Note IV.29.

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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 current period is as follows:

	31 December 2019	Increase in current period	Decrease in current period	30 June 2020
Raw materials	4,491,923	26,975,159	(25,538,176)	5,928,906
Work in progress	3,910,630	7,227,636	(7,045,996)	4,092,270
Finished goods	5,627,051	29,581,194	(30,190,287)	5,017,958
Consignment stocks	140,725	549,810	(640,500)	50,035
Spare parts	234,760	154,560	(153,561)	235,759
Low-valued consumables	30,397	104,100	(107,686)	26,811
Materials in transit	27,666	34,016	(39,422)	22,260
Completed properties	264,894	609,408	(707,279)	167,023
Properties under development	25,578,254	1,247,473	(5,131,811)	21,693,916
Offshore engineering project	1,528,546	223,170	(214,935)	1,536,781
Costs incurred to fulfil a contract	10,992	30,732	–	41,724
Total	41,845,838	66,737,258	(69,769,653)	38,813,443

(3) Provision for impairment of inventories and costs incurred to fulfil a contract are as follows:

Category	31 December 2019	Increase in current period Recognise	Decrease in current period		Currency translation differences	30 June 2020
			Reversal	Write-off		
Raw materials	201,444	9,357	(3,125)	(8,470)	117	199,323
Work in progress	70,594	198	–	–	306	71,098
Finished goods	134,926	8,760	(279)	(37,156)	253	106,504
Consignment stocks	2	–	–	–	–	2
Spare parts	5,524	243	–	(3,275)	87	2,579
Low-valued consumables	314	–	–	–	3	317
Completed properties	13,539	–	(3)	–	–	13,536
Properties under development	4,992	–	–	–	–	4,992
Offshore engineering project	112,224	–	–	–	1,646	113,870
Total	543,559	18,558	(3,407)	(48,901)	2,412	512,221

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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 period from January to June 2020 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 current period 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	The net realisable value is lower than the net book value	Increase in net realisable value/usage or sales of inventories
Properties under development	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 assets

	30 June 2020	31 December 2019
Contract assets	1,891,980	1,951,179
Less: contract assets impairment provision	(6,725)	(5,169)
	1,885,255	1,946,010

As at 30 June 2020, impairment provision of contract assets individually assessed are as follows:

	Book balance	Lifetime expected credit losses rate	Impairment provision	Reason
Offshore engineering	494,136	0.20%	995	Measured provision as lifetime expected credit losses
Energy, chemical and liquid food equipment	775,710	0.19%	1,468	
	1,269,846		2,463	

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. Contract assets (Continued)

As at 30 June 2020, impairment provision of contract assets collectively assessed are as follows:

	Book balance	Lifetime expected credit losses rate	Impairment provision	Reason
Airport, fire and automation logistics equipment	622,134	0.69%	4,262	Measured provision as lifetime expected credit losses

11. Assets and liabilities held for sale

	30 June 2020	31 December 2019
Assets held for sale –		
Investment properties	–	26,401
Fixed assets	–	56,448
Intangible assets	–	10,253
Total	–	93,102

On 16 November 2016, with the approval of the board of directors, CIMC Vehicle (Group) Xinjiang Co., Ltd., 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 High-Tech Industrial Development Zone (New City) to sell its investment properties, fixed assets and intangible assets, the transaction was completed in the first half of 2020.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. Current portion of non-current assets

	30 June 2020	31 December 2019
Finance lease receivables (Note IV.17)	6,190,123	6,295,488
Less: unrealised financing income	(1,359,194)	(1,413,242)
Finance lease receivables – net	4,830,929	4,882,246
Sales of goods by installments	12,508	17,782
Others	224,238	233,037
Less: impairment provisions	(827,097)	(838,396)
Total	4,240,578	4,294,669

As at 30 June 2020, the balance of the long-term receivables from related parties due within one year of the Group was as below:

Company Name	Relationship with the Group	30 June 2020	31 December 2019
LiHua Energy	Associate	157,802	157,799
Y&C Engine	Joint Venture	–	1,256
New Horizon Shipping UG	Joint Venture	–	14,370
Zhongyi Xinwei	Associate	15,414	11,846
Total		173,216	185,271

13. Other current assets

	30 June 2020	31 December 2019
Tax deductible/withheld	1,236,509	1,157,002
Others (i)	234,757	251,855
Total	1,471,266	1,408,857

(i) The other is mainly the unsettled land replacement amount, amounting to RMB211,763,000, which based on the land preparation agreement between SCIMC, Shenzhen Municipal Bureau of planning and natural resources and Qianhai Authority.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Other debt investments

	30 June 2020	31 December 2019
China Development Bank 2015 Tenth Financial Bonds	–	31,272
Less: other debt investments impairment provisions	–	–
	–	31,272

As at 30 June 2020, the other debt investment was sold.

15. Other equity investments

(1) Equity investments

	30 June 2020	31 December 2019
Unlisted company equity		
– Bank of Communications Schroder Fund Management Co., Ltd. ("BOCM Schroder")	319,866	424,094
– China United International Rail Containers Co., Ltd. ("CR Intermodal")	303,621	303,943
– Zhuhai Yunzhou-Tech Co., Ltd. ("Yunzhou-Tech")	43,046	43,046
– Shanghai Shangqiao Supply Chain Service Co., Ltd. ("Shanghai Shangqiao")	10,920	10,920
– Chongqing Meixin Yishen Machinery Co., Ltd. ("Chongqing Meixin")	15,000	15,000
– Ningbo Beilun Donghua Container Service Co., Ltd. ("Ningbo Beilun")	–	1,200
– Yueguan Advanced Manufacturing Industry (Dongguan) Equity Investment Fund (Limited Partnership) ("Yueguan Fund")	43,965	43,965
– China Railway Special Cargo Services Co., LTD ("China Railway Special Cargo")	161,563	161,563
– Xiamen HuaRui Overseas Returnees Biling and School ("Xiamen HuaRui")	5,855	5,855
– Beijing Nohe Zhiyuan Technology Co., LTD ("Beijing Nohe")	30,000	–
– Shenzhen Comma Internet Technology Co. LTD ("Shenzhen Comma")	2,000	–
Listed company equity		
– Shouchang International Enterprise Co., Ltd. ("Shouchang International")	292,901	361,421
– Otto Energy Limited	460	2,378
	1,229,197	1,373,385

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Other equity investments (Continued)

(1) Equity investments (Continued)

	30 June 2020	31 December 2019
BOCM Schroder		
– Historical cost	8,125	8,125
– Accumulated changes in fair value	311,741	415,969
	319,866	424,094
CR Intermodal		
– Historical cost	380,780	380,780
– Accumulated changes in fair value	(77,159)	(76,837)
	303,621	303,943
Yunzhou-Tech		
– Historical cost	20,000	20,000
– Accumulated changes in fair value	23,046	23,046
	43,046	43,046
Shanghai Shangqiao		
– Historical cost	10,000	10,000
– Accumulated changes in fair value	920	920
	10,920	10,920
Chongqing Meixin		
– Historical cost	15,000	15,000
– Accumulated changes in fair value	–	–
	15,000	15,000
Ningbo Beilun		
– Historical cost	–	1,200
– Accumulated changes in fair value	–	–
	–	1,200
Yueguan Fund		
– Historical cost	44,060	44,060
– Accumulated changes in fair value	(95)	(95)
	43,965	43,965
China railway special cargo		
– Historical cost	161,563	161,563
– Accumulated changes in fair value	–	–
	161,563	161,563

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Other equity investments (Continued)

(1) Equity investments (Continued)

	30 June 2020	31 December 2019
Xiamen HuaRui		
– Historical cost	5,855	5,855
– Accumulated changes in fair value	–	–
	5,855	5,855
Beijing Nohe		
– Historical cost	30,000	–
– Accumulated changes in fair value	–	–
	30,000	–
Shenzhen Comma		
– Historical cost	2,000	–
– Accumulated changes in fair value	–	–
	2,000	–
Shouchang International		
– Historical cost	203,710	203,710
– Accumulated changes in fair value	89,191	157,711
	292,901	361,421
Otto Energy Limited		
– Historical cost	5,674	5,674
– Accumulated changes in fair value	(5,214)	(3,296)
	460	2,378

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Other equity investments (Continued)

(1) Equity investments (Continued)

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	1.82%
– Chongqing Meixin	2.82%
– Yueguan Fund	13.97%
– China Railway Special Cargo	1.00%
– Xiamen HuaRui	4.00%
– Beijing Nohe	0.05%
– Shenzhen Comma	1.42%
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 recognized them as other equity investments.

For the period from January to June in 2020, due to the strategic adjustment of the Group, an equity instrument investment of 1.42% in Shenzhen Comma was increased, with a consideration of RMB2,000,000, and an equity instrument investment of 0.05% in Beijing Nohe was increased, with a consideration of RMB30,000,000.

As at 30 June 2020, the Group had a significant impact on Ningbo Beilun, so the investment from other equity instruments was changed to long-term equity investment.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Other non-current financial assets

	30 June 2020	31 December 2019
Foreign exchange forward contract (Note IV.3(1))	12	–
Interest rate swap contracts (Note IV.3(4))	–	74,445

17. Long-term receivables

	30 June 2020	31 December 2019
Finance lease receivables	24,959,027	26,948,998
Less: unrealised financing income	(6,809,291)	(8,337,211)
Finance lease receivables – net	18,149,736	18,611,787
Sales of goods by installments	75,975	84,853
Others	546,343	598,854
Sub-total	18,772,054	19,295,494
Less: impairment provisions	(1,273,897)	(1,223,156)
Sub-total	17,498,157	18,072,338
Less: current portion of non-current assets	(4,240,578)	(4,294,669)
Total	13,257,579	13,777,669

As at 30 June 2020, there was no long-term receivables due from shareholders holding more than 5% (inclusive) of the voting rights of the Company (31 December 2019: Nil).

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. Long-term receivables (Continued)

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 as at 30 June), are analysed as follows:

Minimum lease receipts	30 June 2020	31 December 2019
Within 1 year (inclusive)	6,190,123	6,295,488
1 and 2 years (inclusive)	3,544,613	3,484,786
2 and 3 years (inclusive)	2,567,535	2,779,570
Over 3 years	12,656,756	14,389,154
Sub-total	24,959,027	26,948,998
Less: unrealised finance income	(6,809,291)	(8,337,211)
Total	18,149,736	18,611,787

As at 30 June 2020, the long-term receivables derecognized due to transferring of financial assets amounted to RMB618,613,000 (31 December 2019: RMB1,148,967,000):

	The derecognized amount	The income from derecognition
Finance lease receivables	618,613	88,236

Company name	Relationship with the Group	30 June 2020	31 December 2019
New Horizon Shipping UG	Joint Venture	561,865	561,667
Zhongyi Xinwei	Associate	–	9,586
Total		561,865	571,253

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. Long-term receivables (Continued)

(1) Loss provision and changes in book balance:

	First stage					Second stage		Third stage					Total
	Expected credit loss in the next twelve months (collectively)		Expected credit loss in the next twelve months (individually)		Sub-total	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)		Sub-total	
	Provision for	Book balance	Provision for	Book balance		Provision for	Book balance	Provision for	Book balance	Provision for	Book balance		
	bad debts		bad debts		bad debts	bad debts	bad debts	bad debts	bad debts	bad debts	bad debts		
31 December 2019	7,315,061	227,927	10,557,098	106,015	333,942	788,392	350,457	84,790	78409	550,153	460,348	538,757	1,223,156
Increase in current period	2,280,664	100,589	1,168,076	21,786	122,375	58,336	75,566	-	-	-	-	-	197,941
Decrease in current period	(2,944,268)	(70,687)	(793,107)	(3,464)	(74,151)	(258,404)	(41,619)	(5,398)	(2,091)	(29,339)	(29,339)	(31,430)	(147,200)
Including: Write-off in current period	-	-	-	-	-	-	-	-	-	-	-	-	-
Derecognize	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase/Reversal of provision for bad debts in current period (i)	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to the third stage	-	-	-	-	-	(21,148)	(14,803)	21,148	14,803	-	-	14,803	-
Transfer back to the first stage	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to the second stage	(57,894)	(1,607)	-	-	(1,607)	57,894	1,607	-	-	-	-	-	-
30 June 2020	6,593,563	256,222	10,932,067	124,337	380,559	625,070	371,208	100,540	91,121	520,814	431,009	522,130	1,273,897

- (i) Except for changes in provision for bad debts caused by the increased and decreased in other receivables, changes in provision for bad debts due to changes in parameters and data used in determining expected credit losses were RMB0.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. Long-term receivables (Continued)

(1) Loss provision and changes in book balance: (Continued)

- (i) As at 30 June 2020, the provision for bad debts of long-term receivables that are individually assessed 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	10,932,067	1.14%	124,337	Measured provision as expected credit losses in the next twelve months
	10,932,067			

As at 30 June 2020 and 31 December 2019, the provision for bad debts of long-term receivables that are collectively assessed in the first stage are as follows:

	30 June 2020			31 December 2019		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Expected credit loss rate	Amount	Amount	Expected credit loss rate	Amount
Collectively assessed:						
Finance lease receivables	6,086,918	4.18%	254,185	6,764,962	3.34%	226,056
Sales of goods by installments	69,963	0.17%	118	48,119	0.00%	-
Others	436,682	0.44%	1,919	501,980	0.37%	1,871
	6,593,563		256,222	7,315,061		227,927

- (ii) As at 30 June 2020 and 31 December 2019, the provision for bad debts of long-term receivables that are collectively assessed in the second stage are as follows:

	30 June 2020			31 December 2019		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Expected credit loss rate	Amount	Amount	Expected credit loss rate	Amount
Collectively assessed:						
Finance lease receivables	509,397	61.50%	313,302	720,600	47.25%	340,500
Sales of goods by installments	6,012	0.00%	-	-	-	-
Others	109,661	52.80%	57,906	67,792	14.69%	9,957
	625,070		371,208	788,392		350,457

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. Long-term receivables (Continued)

(1) Loss provision and changes in book balance: (Continued)

(iii) As at 30 June 2020, the provision for bad debts of long-term receivables that are individually assessed in the third stage are as follows:

	Book balance	Lifetime expected credit loss rate	Provision for bad debts	Reason
Individually assessed:				
Finance lease receivables	100,540	90.63%	91,121	Measured provision as lifetime expected credit losses
	100,540		91,121	

As at 30 June 2020 and 31 December 2019, the provision for bad debts of long-term receivables that are collectively assessed in the third stage are as follows:

	30 June 2020			31 December 2019		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Expected credit loss rate	Amount	Amount	Expected credit loss rate	Amount
Collectively assessed:						
Finance lease receivables	520,814	82.76%	431,009	18,974	66.37%	12,593
Sales of goods by installments	-	-	-	36,734	100.00%	36,734
Others	-	-	-	29,082	100.00%	29,082
	520,814		431,009	84,790		78,409

As at 30 June 2020, long-term receivables with book balance of RMB7,717,908,000 have been used as the guaranty of long-term loans of USD496,530,000 (equivalent to RMB3,515,186,000) (Note IV(29)).

18. Long-term equity investments

(1) Classification of long-term equity investments:

		30 June 2020	31 December 2019
Joint ventures	(2)	720,211	707,730
Associates	(3)	5,129,994	4,808,352
		5,850,205	5,516,082
Less: impairment provisions		(152,508)	(152,508)
Total		5,697,697	5,363,574

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Long-term equity investments (Continued)

(1) Classification of long-term equity investments: (Continued)

There was 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.

(2) Long-term equity investments in joint ventures:

	31 December 2019	Movement in current period					30 June 2020	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 South CIMC Logistics Equipment Co., Ltd. ("Guangxi South Logistics")	56,525	-	3,544	-	-	-	60,069	-
NYK Zhenhua logistics (Tianjin) Co. Ltd. ("NKY Zhenhua")	68,052	-	546	-	-	-	68,598	-
Kawasaki Zhenghua logistics (Tianjin) Co. Ltd.	28,609	-	657	-	-	(7,650)	21,616	-
Qingdao Jiefeng Baijian Container Maintenance Co., Ltd.	15,221	-	1,234	-	-	-	16,603	-
Dalian Jilong & Baijian Logistics Co., Ltd.	5,149	-	(310)	-	-	(1,926)	2,952	-
Shanghai Baijian Dewei Container Maintenance Co., Ltd.	18,231	-	184	-	-	-	18,573	-
Tianjin Jinshi Baijian Container Maintenance Co., Ltd.	6,397	-	59	-	-	-	6,500	-
Y&C Engine Co., Ltd. ("Y&C Engine")	268,176	-	13,822	-	-	-	281,998	-
Shenzhen CIMC Mobile Internet of Things International Operation Service Co., Ltd. ("CIMC Mobile IoT")	36	-	-	-	-	-	36	-
Ningbo Meishan Bonded Port Area Chuangzhi Lian-cheng Investment Management Partnership	50,066	-	-	-	-	-	50,066	-
New Horizon Shipping UG	35,615	-	-	-	-	496	36,111	-
Chemgas Schiffahrts UG "GASCHEMNARWHAL" KG (haftungsbeschrant) & Co. MT	95,854	-	-	-	-	1,419	97,273	-
Shenzhen CIMC Everbright Logistics Equity Investment Fund Partnership (Limited Partnership)	56,931	-	-	-	-	-	56,931	-
Guangxi Angel Town Education Investment Co., Ltd.	2,000	-	-	-	-	-	2,000	-
Bavaria Egypt	868	-	-	-	-	17	885	-
Total	707,730	-	19,736	-	-	(9,576)	720,211	-

Refer to Note VI.2 for equity in joint ventures.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Long-term equity investments (Continued)

(3) Long-term equity investments in associates: (Continued)

	Movement in current period									30 June 2020	Impairment provisions
	31 December 2019	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	Recognized impairment provision	Others		
Shenzhen Cadro Hydraulic Equipment Co., Ltd. ("Cadro Hydraulic")	22,862	-	-	-	1,009	-	-	-	-	23,871	-
Sichuan Zhongyixinwei Energy Co., Ltd. ("Zhongyixinwei")	34,471	-	-	-	-	-	-	-	-	34,471	-
Henan Yida Tianxia Logistics Technology Co., Ltd. ("Henan Yida")	2,103	-	46	-	-	-	-	-	-	2,149	-
Shenzhen Chaojianling Network Technology Co., Ltd.	61	-	-	-	-	-	-	-	-	61	-
Shanghai Xinbaiqin Special Vehicle Co., Ltd.	17,185	-	6,552	-	-	-	-	-	-	23,737	-
Shenzhen CIMC Tianyi Equity Investment Management Partnership ("Shenzhen CIMC Tianyi Investment")	7,431	-	-	-	-	(2,151)	-	-	-	5,280	-
Hengqin CIMC Ruide Xinchuang Innovative Venture Capital Fund, LP.	29,971	-	-	-	-	-	-	-	-	29,971	-
Shenzhen Xinghuo Chelian Technology Co., Ltd. ("Xinghuo Chelian")	515	2,856	(150)	-	955	-	-	-	-	4,176	-
Qingdao Port International Trade Logistics Ltd.	9,879	-	1,354	-	-	(770)	-	-	-	10,463	-
Ningbo Huaxiang Automotive New Material Technology Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-
Zhenjiang Shen Xing Tai Bao Technology Co., Ltd.	1,846	(1,846)	-	-	-	-	-	-	-	-	-
Shenzhen Xinhuiyijin Investment Partnership (Limited Partnership)	-	-	-	-	-	-	-	-	-	-	-
Cela S.r.L.	22,576	-	1,426	-	-	-	461	-	-	24,463	-
OOS International Holding	6,205	-	-	-	-	-	625	-	-	6,830	-

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Long-term equity investments (Continued)

(3) Long-term equity investments in associates: (Continued)

	Movement in current period									30 June 2020	Impairment provisions
	31 December 2019	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	Recognized impairment provision	Others		
Ningbo Mediterranean Container Yard Co., Ltd. ("Ningbo Mediterranean")	21,718	-	908	-	-	-	-	-	-	22,626	-
Shenzhen Digital Xiang Technology Co., Ltd.	-	51	(18)	-	-	-	-	-	-	33	-
Zhoushan Changhong International Ship Repair Co., Ltd. ("Zhoushan Changhong")	228,246	-	-	-	-	-	-	-	-	228,246	-
Nantong CIMC Yike New Material Development Co., Ltd. ("Nantong Yike")	7,905	-	-	-	-	-	-	-	-	7,905	-
Shenzhen Taiziwan Shangrong Real Estate Co., Ltd. ("Shangrong Real Estate")	1,613,404	-	(145)	-	-	-	-	-	-	1,613,259	-
Shanghai Yinfeng Robot Co., Ltd.	19,941	(19,941)	0	-	-	-	-	-	-	-	-
Shenzhen Taiziwan Shangtai Real Estate Co., Ltd. ("Shangtai Real Estate")	1,611,123	-	36,331	-	-	-	-	-	-	1,647,454	-
CIMC Donghan (Shanghai) Shipping Co., Ltd.	36,487	(10,000)	(368)	-	-	-	-	-	-	26,119	-
Tianjin Port CIMC Zhenhua Logistics Co., Ltd. ("Tianjin Port CIMC Zhenhua")	9,954	-	64	-	-	-	-	-	-	10,018	-
Shitie Special Goods	25,357	(10,000)	631	-	-	-	-	-	-	15,988	-
Tianjin Binhai COSCO	19,802	-	270	-	-	-	-	-	-	20,072	-
Jiangsu Wanjing Technology Co., Ltd. ("Jiangsu Wanjing")	12,286	-	26	-	-	-	-	-	-	12,312	-
Yangzhou Jizhi Real Estate Co., Ltd. ("Yangzhou Jizhi")	173,760	-	(12,099)	-	-	-	-	-	-	161,661	-
Shenzhen Bijie Zhigu Investment Development Co., Ltd.	3,200	(3,200)	-	-	-	-	-	-	-	-	-
Guizhou Yinke Environmental Resources Co., Ltd.	20,731	4,208	(1,516)	-	-	-	-	-	-	23,423	-
Yichuan Tianyun Clean Energy Co., Ltd.	301	7,740	-	-	-	-	-	-	-	8,041	-

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Long-term equity investments (Continued)

(3) Long-term equity investments in associates: (Continued)

	Movement in current period									30 June 2020	Impairment provisions
	31 December 2019	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	Recognized impairment provision	Others		
Shandong Nanhuangcheng Ocean Development Co., Ltd	7,668	-	-	-	-	-	-	-	-	7,668	-
Fujian Laoken sterilization Service Co., Ltd	500	100	-	-	-	-	-	-	-	600	-
Chongqing Changliang Logistics Technology Co., Ltd.	-	3,950	36	-	-	-	-	-	-	3,986	-
Shenzhen Wangyue Equity Investment Fund Partnership (Limited Partnership)	-	173,000	-	-	-	-	-	-	-	173,000	-
CIMC Gongqingcheng Shuitou Environmental Protection Industry Investment Partnership (Limited Partnership)	-	66,660	-	-	-	-	-	-	-	66,660	-
Yantai Jinghai Marine Fishery Co. LTD	-	89,600	-	-	-	-	-	-	-	89,600	-
Qingdao Sencott Co. Ltd	-	3,500	-	-	-	-	-	-	-	3,500	-
Ningbo Beilun Donghua Container Service Co., Ltd.	-	1,200	2,852	-	-	-	-	-	1,379	5,431	-
Shenzhen Tianyi Changmao Investment Partnership (Limited Partnership)	-	495	-	-	-	-	-	-	-	495	-
Total	4,808,352	285,307	35,155	-	1,964	(11,048)	8,885	-	1,379	5,129,994	(152,508)

Refer to Note VI.2 for equity in associates.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Long-term equity investments (Continued)

(3) Long-term equity investments in associates: (Continued)

The Group's investment ratios in CMIC Ocean En-Tech, LiHua Energy, Jiangsu Ruichen, Newtown Optoelectronics, Cadro Hydraulic, Zhongyi Xinwei, Henan Yida, Tianjin Binhai COSCO and Shenzhen Road Network 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 2020, except for MSC, LiHua Energy, Jiahua Shipping and Jiuquan Cryogenic, there was no need for the Group to recognize 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 2019: Nil).

19. Investment properties

	Buildings and relevant land use rights	Land use rights	Total
1 January 2019	1,552,800	413,477	1,966,277
Changes in fair value	32,249	907	33,156
Transferred from fix assets	28,341	-	28,341
Transferred from inventories	334,461	-	334,461
Transferred from construction in progress	275	-	275
Revaluation gains upon transfers	412,336	-	412,336
Transferred to fix assets	(11,410)	-	(11,410)
Currency translation differences	6,279	-	6,279
31 December 2019	2,355,331	414,384	2,769,715

	Buildings and relevant land use rights	Land use rights	Total
1 January 2020	2,355,331	414,384	2,769,715
Changes in fair value	164	140	304
Transferred from inventories	4,253,776	-	4,253,776
Currency translation differences	(7,637)	-	(7,637)
30 June 2020	6,601,634	414,524	7,016,158

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Investment properties (Continued)

For the period from January to June in 2020, the Group's closing balance of investment properties included capitalized borrowing cost amounting to RMB81,052,000 (For the period from January to June in 2019: Nil).

For the period from January to June in 2020, the impact amount of changes in fair value of investment properties on the Group's current profit or loss was RMB304,000 (For the period from January to June in 2019: Nil).

For the period from January to June in 2020, the Group had no disposed investment properties with no book value (For the period from January to June in 2019: Nil) and there was no the disposal income (For the period from January to June in 2019: Nil).

As at 30 June 2020, the buildings with carrying amount of about RMB256,192,000 (31 December 2019: RMB213,896,000) had not been entitled the property ownership certificates due to unfinished entitling procedures. The certificate is expected to be granted in 2021. As at 30 June 2020, the land use right with carrying amount of RMB31,860,000 has not been entitled the property ownership certificates (31 December 2019: RMB31,860,000).

As at 30 June 2020, restricted investment properties of the Group amounted to RMB677,443,000 (31 December 2019: Nil), refer to Note IV.29 for details.

20. Fixed assets

	30 June 2020	31 December 2019
Fixed assets (a)	37,603,898	37,834,537
Disposal of fixed assets (b)	16,108	14,721
	37,620,006	37,849,258

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Fixed assets (Continued)

(a) Fixed assets

	Buildings		Machinery and equipment		Office & other equipment		Motor vehicles	Offshore engineering equipment	Dock and wharf	Total
	For own use	For rent	For own use	For rent	For own use	For rent	For own use	For rent	For own use	
Original cost										
31 December 2019	12,621,899	-	11,432,403	249,124	2,533,672	6,223	1,367,906	26,495,565	1,241,258	55,948,050
Business combination	89,344	-	8,226	-	928	-	2,365	-	-	100,863
Additions	51,329	4,154	286,347	12,034	45,124	-	75,508	25,618	-	500,114
Transferred from inventory	-	-	-	-	-	-	-	-	-	-
Transferred from construction in progress	190,694	-	93,680	-	37,436	-	44,326	-	-	366,136
Disposals	(62,910)	-	(177,628)	(42)	(154,675)	-	(7,997)	-	-	(403,252)
Transferred to investment properties	-	-	-	-	-	-	-	-	-	-
Currency translation difference	17,052	-	26,589	-	11,961	-	360	354,441	17,565	427,968
30 June 2020	12,907,408	4,154	11,669,617	261,116	2,474,446	6,223	1,482,468	26,875,624	1,258,823	56,939,879
Accumulated depreciation										
31 December 2019	3,301,267	-	5,228,225	105,054	1,367,147	3,603	584,314	2,041,695	318,064	12,949,369
Business combination	-	-	-	-	-	-	-	-	-	-
Depreciation recognized in current year	191,406	113	402,455	12,710	102,886	372	49,696	470,725	-	1,230,363
Decrease in current period	(20,613)	-	(85,157)	-	(3,102)	-	(6,650)	-	-	(115,522)
Currency translation difference	5,335	-	15,063	-	6,345	-	1,635	25,640	4,502	58,520
30 June 2020	3,477,395	113	5,560,586	117,764	1,473,276	3,975	628,995	2,538,060	322,566	14,122,730
Impairment provisions										
31 December 2019	235,604	-	43,112	749	6,475	-	17,514	4,860,690	-	5,164,144
Provisions	-	-	-	-	-	-	-	-	-	-
Transferred from inventory	-	-	-	-	-	-	-	-	-	-
Transferred from construction in progress	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	(3,734)	-	(1)	-	(130)	-	-	(3,865)
Currency translation difference	118	-	183	-	662	-	229	51,780	-	52,972
30 June 2020	235,722	-	39,561	749	7,136	-	17,613	4,912,470	-	5,213,251
Net book value										
30 June 2020	9,194,291	4,041	6,069,470	142,603	994,034	2,248	835,860	19,425,094	936,257	37,603,898
31 December 2019	9,085,028	-	6,161,066	143,321	1,160,050	2,620	766,078	19,593,180	923,194	37,834,537

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Fixed assets (Continued)

(a) Fixed assets (Continued)

As at 30 June 2020, the buildings with book value of about RMB118,462,000 (original cost of RMB124,533,000) was pledged as long-term borrowings RMB172,500,000, the machinery and equipment with book value of about RMB38,764,000 (original cost of RMB187,578,000) was pledged as long-term payable RMB14,600,000. See Note IV.29 for details.

As at 30 June 2020, depreciation of fixed assets recognised amounted to RMB1,230,363,000 (January to June 2019: RMB904,155,000), of which RMB1,046,483,000, RMB23,686,000, RMB100,570,000 and RMB59,624,000 (January to June 2019: RMB789,632,000, RMB15,566,000, RMB74,859,000 and RMB24,098,000) has been charged in cost of sales, selling and distribution expenses, general and administrative expenses, research and development expenses, respectively.

As at 30 June 2020, the original cost of fixed assets transferred from construction in progress was RMB366,136,000 (January to June 2019: RMB834,276,000).

(1) Temporarily idle fixed assets

As at 30 June 2020, the carrying amount of temporarily idle buildings, machinery and equipment amounts to RMB11,158,000 (original cost of RMB19,650,000) (31 December 2019: carrying amount of RMB73,062,000 and original cost of RMB117,324,000). The following table presents the detail:

	Original amount	Accumulated depreciation	Impairment provisions	Carrying amount
Buildings	7,770	(2,440)	(994)	4,336
Machinery and equipment	10,922	(4,438)	–	6,484
Motor vehicles	86	(77)	–	9
Office & other equipment	872	(543)	–	329
	19,650	(7,498)	(994)	11,158

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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*

	Carrying amount	Reason for pending
Factory	533,743	Put to use, certificate being in the progress
Office building	138,018	Put to use, certificate being in the progress
Workshop	113,401	Information updated, being in the progress
Dormitory and canteen	111,256	Put to use, certificate being in the progress
Warehouse	81,204	Certificate being in the progress
Others	147,093	Certificate being in the progress
Total	1,124,715	

(3) *The lease contracts of machinery & equipment and motor vehicles signed by the Group as the lessor have no residual value guarantee clauses.*

(b) Disposal of fixed assets

	30 June 2020	31 December 2019
Machinery and equipment	15,594	14,417
Motor vehicles	15	56
Office & other equipment	440	215
Offshore engineering equipment	33	33
Plants and buildings	26	-
Total	16,108	14,721

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Construction in progress

(1) Construction in progress

	30 June 2020			31 December 2019		
	Book Balance	Impairment provisions	Carrying amount	Book Balance	Impairment provisions	Carrying amount
Medium deep and ultra deep water drilling platform project	8,007,969	(1,542,621)	6,465,348	7,828,456	(1,520,502)	6,307,954
Raffles H273 and H1293 project	2,453,766	(742,214)	1,711,552	2,384,496	(726,851)	1,657,645
Enric low temperature plant renovation project	496,169	-	496,169	414,606	-	414,606
YZTH factory relocation project	325,762	-	325,762	238,712	-	238,712
Dongguan southern CIMC Fenggang phase 2 project	174,617	-	174,617	152,301	-	152,301
Financial information system construction project	128,285	-	128,285	120,967	-	120,967
CIMC Industry & City Shenzhen Bright CIMC Zhiyuan Self-sustaining Industrial Park	175,849	-	175,849	88,965	-	88,965
Raffles shore crane project	82,478	-	82,478	81,327	-	81,327
Container ship project Maersk 2300TEU of financing and leasing company	66,382	-	66,382	62,351	-	62,351
TianDa Airport Industrial Park Phase III Dormitory project	58,181	-	58,181	58,106	-	58,106
CIMCDV dormitory and office building project	-	-	-	43,818	-	43,818
Zhumadian CIMC Huajun Lighthouse project	27,935	-	27,935	26,337	-	26,337
WHVS painting line upgrade project	29,925	-	29,925	22,284	-	22,284
Raffles CR600 platform adaptive transformation	18,830	-	18,830	18,567	-	18,567
Dongguan Multimodal Transport building project	18,483	-	18,483	18,483	-	18,483
TCCRC workshop renovation project	21,162	-	21,162	17,855	-	17,855
TCCIMC relocation and reconstruction project	13,870	-	13,870	16,719	-	16,719

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Construction in progress (Continued)

(1) Construction in progress (Continued)

	30 June 2020			31 December 2019		
	Book Balance	Impairment provisions	Carrying amount	Book Balance	Impairment provisions	Carrying amount
Zhumadian CIMC Huajun production maintenance investment	4,560	-	4,560	16,609	-	16,609
Enric workshop construction project	21,595	-	21,595	13,928	-	13,928
CIMCNB water-based paint coating line reconstruction and waste treatment project	17,181	-	17,181	10,820	-	10,820
Raffles gate 2 comprehensive office building project	8,278	-	8,278	8,163	-	8,163
XHCIMCS production line and power facilities renovation	7,194	-	7,194	8,114	-	8,114
Jiangsu Trailer Leasing transportation equipment renovation project	19,656	-	19,656	8,059	-	8,059
Modern logistic Zhenhua project	10,261	-	10,261	6,662	-	6,662
CIMCSV painting line upgrade	5,772	-	5,772	3,981	-	3,981
QDCRC Plant renovation project	3,940	-	3,940	2,794	-	2,794
Jiangmen Vehicle plant renovation project	1,706	-	1,706	939	-	939
Dongguan CIMC vehicles logistics equipment project	876	-	876	876	-	876
LYV production line upgrade project	22,421	-	22,421	1,900	-	1,900
Others	664,160	(860)	663,300	398,581	(860)	397,721
Total	12,887,263	(2,285,695)	10,601,568	12,075,776	(2,248,213)	9,827,563

As at 30 June 2020, the carrying amounts of construction in progress included accumulated capitalised borrowing cost of RMB1,957,782,000 (31 December 2019: RMB1,882,956,000). The interest rate adopted for determining capitalised at borrowing cost for the current period was 4.59% (2019: 4.59%).

As at 30 June 2020, there was no restricted construction in progress of the Group (31 December 2019: 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 period

	Budget amount	31 December 2019	Current period additions	Transferred to fixed assets	Transferred to investment properties	30 June 2020	Proportion of incurred to budget amount (%)	Progress of construction	Cumulative capitalised interest	Including: current period capitalised interest	Interest capitalisation rate (%)	Source of funds	Exchange differences arising from translating foreign currencies
Medium deep and ultra deep water drilling platform project	8,460,870	7,828,456	68,778	-	-	8,007,969	98%	99%	1,616,435	27,340	3.48%	Self-funding & bank loan	110,735
Raffles H273 and H1293 project	1,723,391	2,384,496	35,448	-	-	2,453,766	98%	99%	306,336	27,959	3.82%	Self-funding & bank loan	33,822
Enric low temperature plant renovation project	523,330	414,606	114,560	(32,997)	-	496,169	71%	71%	1,800	825	4.00%	Self-funding & bank loan	-
YZTH factory relocation project	341,571	238,712	87,966	(916)	-	325,762	96%	96%	-	-	-	Self-funding	-
Dongguan southern CIMC Fenggang phase 2 project	395,000	152,301	118,394	(96,078)	-	174,617	69%	88%	-	-	-	Self-funding	-
Financial information system construction project	210,419	120,967	10,590	(3,272)	-	128,285	62%	96%	-	-	-	Self-funding	-
CIMC Industry & City Shenzhen Bright CIMC Zhiyuan Self-sustaining Industrial Park	1,178,550	88,965	86,884	-	-	175,849	17%	40%	10,476	8,014	4.90%	Self-funding & bank loan	-
Raffles shore crane project	94,904	81,327	-	-	-	82,478	87%	87%	4,900	-	3.82%	Bank loan	1,151
Container ship project Maersk 2300TEU of financing and leasing company	585,987	62,351	3,149	-	-	66,382	11%	11%	-	-	-	Self-funding	882
TianDa Airport Industrial Park Phase III Dormitory project	150,000	58,106	75	-	-	58,181	9%	60%	-	-	-	Self-funding	-
CIMCDV dormitory and office building project	106,890	43,818	28,215	(72,033)	-	-	100%	100%	-	-	-	Self-funding	-
Zhumadian CIMC Huajun Lighthouse project	57,438	26,337	2,243	(645)	-	27,935	94%	94%	-	-	-	Self-funding	-
WHVS painting line upgrade project	58,060	22,284	11,255	(3,614)	-	29,925	96%	96%	-	-	-	Self-funding	-
Raffles CR600 platform adaptive transformation	18,567	18,567	-	-	-	18,830	100%	100%	-	-	-	Self-funding	263
Dongguan Multimodal Transport building project	23,000	18,483	-	-	-	18,483	84%	90%	453	-	2.45%	Bank loan	-
TCCRC workshop renovation project	49,018	17,855	4,405	(1,098)	-	21,162	79%	74%	-	-	-	Self-funding	-
TCCIMC relocation and reconstruction project	85,330	16,719	13,601	(16,450)	-	13,870	74%	76%	-	-	-	Self-funding	-
Zhumadian CIMC Huajun production maintenance investment	28,791	16,609	5,549	(17,598)	-	4,560	99%	99%	-	-	-	Self-funding	-
Enric workshop construction project	22,254	13,928	8,838	(1,171)	-	21,595	100%	100%	-	-	-	Self-funding	-
CIMCNB water-based paint coating line reconstruction and waste treatment project	28,080	10,820	7,834	(1,473)	-	17,181	61%	80%	-	-	-	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 period (Continued)

	Budget amount	31 December 2019	Current period additions	Transferred to fixed assets	Transferred to investment properties	30 June 2020	Proportion of incurred to budget amount (%)	Progress of construction	Cumulative capitalised interest	Including: current period capitalised interest	Interest capitalisation rate (%)	Source of funds	Exchange differences arising from translating foreign currencies
Raffles gate 2 comprehensive office building project	199,933	8,163	-	-	-	8,278	1%	1%	-	-	-	Self-funding	115
XHCIMCS production line and power facilities renovation	10,400	8,114	10,171	(11,091)	-	7,194	96%	96%	-	-	-	Self-funding	-
Jiangsu Trailer Leasing transportation equipment renovation project	113,045	8,059	53,225	(41,628)	-	19,656	54%	54%	-	-	-	Self-funding	-
Modern logistic Zhenhua project	12,800	6,662	3,927	(328)	-	10,261	83%	83%	-	-	-	Self-funding	-
CIMCSV painting line upgrade	92,370	3,981	2,758	(967)	-	5,772	71%	71%	-	-	-	Self-funding	-
QDCRC Plant renovation project	8,704	2,794	4,750	(3,604)	-	3,940	79%	79%	-	-	-	Self-funding	-
Jiangmen Vehicle plant renovation project	21,941	939	767	-	-	1,706	76%	76%	-	-	-	Self-funding	-
Dongguan CIMC vehicles logistics equipment project	1,250	876	-	-	-	876	88%	88%	-	-	-	Self-funding	-
LYV production line upgrade project	62,042	1,900	20,521	-	-	22,421	36%	36%	-	-	-	Self-funding	-
Others		398,581	323,186	(61,173)	-	664,160			17,382	-	4.59%	Self-funding & bank loan	3,566
Total		12,075,776	1,027,089	(366,136)	-	12,887,263			1,957,782	64,138			150,534

(3) Impairment provisions of construction in progress

	Impairment provisions of construction in progress				30 June 2020
	31 December 2019	Current period additions	Current period decrease	Currency translation differences	
Medium deep and ultra deep water drilling platform project	1,520,502	-	-	22,119	1,542,621
Raffles H273 and H1293 project	726,851	-	-	15,363	742,214
Others	860	-	-	-	860
Total	2,248,213	-	-	37,482	2,285,695

For the period from January to June in 2020, the Group has not made impairment provisions of construction in progress (January to June 2019: Nil).

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Intangible assets and development expenditures

(1) Intangible assets

	Land use rights	Technical know-how and trade marks	Timber concession rights	Customer relationships	Customer contracts	Maritime space use rights	Franchise rights	Total
Original cost								
31 December 2019	4,582,527	2,575,061	145,911	471,352	340,275	113,401	103,071	8,331,598
Business combination	12,623	25	-	-	-	-	-	12,648
Additions	102,942	54,543	-	-	-	-	-	157,485
Disposals	(70,126)	(13,035)	-	(1,612)	-	-	(835)	(85,608)
Currency translation differences	713	3,187	2,858	(4,645)	(780)	1,222	(1)	2,554
30 June 2020	4,628,679	2,619,781	148,769	465,095	339,495	114,623	102,235	8,418,677
Accumulated amortization								
31 December 2019	863,073	1,455,460	34,815	312,479	250,174	35,126	14,581	2,965,708
Business combination	-	-	-	-	-	-	-	-
Additions	65,353	80,684	-	12,073	18,802	904	1,365	179,181
Disposals	(7,560)	(769)	-	-	-	-	(838)	(9,167)
Currency translation differences	1,329	1,466	677	(2,268)	(780)	327	(1)	750
30 June 2020	922,195	1,536,841	35,492	322,284	268,196	36,357	15,107	3,136,472
Impairment provisions								
31 December 2019	-	8,360	111,096	36,619	52,264	-	-	208,339
Disposals	-	(1,958)	-	-	-	-	-	(1,958)
Currency translation differences	-	(547)	2,181	(317)	-	-	-	1,317
30 June 2020	-	5,855	113,277	36,302	52,264	-	-	207,698
Carrying amount								
30 June 2020	3,706,484	1,077,085	-	106,509	19,035	78,266	87,128	5,074,507
31 December 2019	3,719,454	1,111,241	-	122,254	37,837	78,275	88,490	5,157,551

For the period from January to June in 2020, amortization expenses of intangible assets amounted to RMB179,181,000 (January to June 2019: RMB171,077,000).

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Intangible assets and development expenditures(Continued)

(2) As at 30 June 2020, intangible assets with pending certificates of ownership are as follows:

	Carrying amount in RMB	Reasons for unsettlement
SCIMCEL Tangkeng land use right	51,606	in progress
Total	51,606	

After the evaluation of the management of the Group, the aforementioned intangible assets with unsettled certificates has no risk of impairment.

(3) As at 30 June 2020, the amount of restricted intangible assets was RMB263,397,000 (31 December 2019:Nil). See Note IV.29 for details.

(4) As at 30 June 2020, the intangible asset with indefinite useful lives was gas station franchise and a trademark right, which amounted to RMB119,643,000 (31 December 2019: RMB118,738,000).

(5) Development expenditures are as follows:

	31 December 2019	Current period additions	Recognised as Intangible assets	30 June 2020
Project on vehicle technology	73,615	8,524	-	82,139
Others	20,463	5,594	(1,225)	24,832
	94,078	14,118	(1,225)	106,971

For the period from January to June in 2020, the Group's research and development expenditures amounted to RMB603,203,000 (January to June 2019: RMB553,335,000): among which RMB589,085,000 (January to June 2019: RMB537,657,000) was included in the current profits and losses, and RMB14,118,000 was capitalised as intangible assets in current period (January to June 2019: RMB15,678,000). As at 30 June 2020, intangible assets transferred from research and development expenditures within the Group accounted for 0.02% (31 December 2019: 1.06%) of the book value of intangible assets.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Right-of-use assets

	Buildings	Land use rights	Offshore engineering equipment	Machinery and equipment	Motor vehicles	Office & other equipment	Total
Original cost							
31 December 2019	542,826	317,254	85,030	202,365	11,274	47,329	1,206,078
Additions from lease contract	135,587	12,697	–	20,581	273	3,708	172,846
Decrease in current period	(133,019)	(233)	–	(174,099)	(8,498)	–	(315,849)
Currency translation differences	658	(1,247)	1,431	63	–	(1)	904
30 June 2020	546,052	328,471	86,461	48,910	3,049	51,036	1,063,979
Accumulated depreciation							
31 December 2019	94,412	39,539	3,317	90,610	680	6,309	234,867
Depreciation recognized in current year	85,741	18,842	3,835	5,042	422	2,589	116,471
Decrease in current period	(15,978)	–	–	(84,677)	(86)	–	(100,741)
Currency translation differences	279	101	6	(6)	–	2	382
30 June 2020	164,454	58,482	7,158	10,969	1,016	8,900	250,979
Book value							
30 June 2020	381,598	269,989	79,303	37,941	2,033	42,136	813,000
31 December 2019	448,414	277,715	81,713	111,755	10,594	41,020	971,211

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Goodwill

	31 December 2019	Current period additions	Current period decrease	Currency translation differences	30 June 2020
Enric	635,513	26,828	–	(6,566)	655,775
Vehicles UK	353,056	–	–	(15,339)	337,717
TGE SA	170,038	–	–	2,102	172,140
Bassoe	134,420	–	–	–	134,420
Pteris	108,196	–	–	–	108,196
C&C Trucks	132,145	–	–	–	132,145
Hashenleng	103,530	–	–	–	103,530
China Fire Safety	51,265	–	–	–	51,265
Modern Logistic	135,309	–	–	–	135,309
Shanghai Jindun	102,998	–	–	–	102,998
Shenyang Jietong	116,726	–	–	–	116,726
Others	568,671	30,855	–	1,946	601,472
Sub-total	2,611,867	57,683	–	(17,857)	2,651,693
Less: impairment provisions					
Bassoe	134,420	–	–	–	134,420
C&C Trucks	132,145	–	–	–	132,145
Hashenleng	68,000	–	–	–	68,000
TGESA	25,343	–	–	–	25,343
Modern Logistic	4,392	–	–	–	4,392
Others	65,241	–	–	1,869	67,110
Sub-total	429,541	–	–	1,869	431,410
Total	2,182,326				2,220,283

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Goodwill (Continued)

(1) Impairment test of goodwill allocated to asset groups

The goodwill allocated to asset groups are summarised by operating segments as follows:

	30 June 2020	31 December 2019
Containers manufacturing asset group	128,836	128,836
Road transportation vehicles asset group	413,127	428,389
Energy, chemical and liquid food equipment asset group	1,011,186	988,822
Logistics services asset group	130,917	130,917
Heavy truck asset group	4,575	4,575
Airport, fire and automated logistics equipment asset group	393,651	393,651
Asset groups with insignificant allocation percentage of goodwill group	137,991	107,136
Total	2,220,283	2,182,326

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 was less than the carrying amount, the related difference was recognized in the current profit or loss. The allocation of the Group's goodwill did not change during January to June in 2020.

25. Long-term prepaid expenses

	31 December 2019	Business combination	Current period additions	Current period amortisation	Currency translation differences	30 June 2020
Yard facility expenses	8,547	-	3,907	(1,936)	(53)	10,465
Project insurance and commission	76,308	-	-	(449)	-	75,859
Drilling platform mobilization fee (i)	467,768	-	-	(64,479)	6,437	409,726
Improvements to right-of-use asset	49,472	-	5,915	(13,912)	-	41,475
Improvements of engineering vessel	87,345	-	32,854	(6,947)	575	113,827
Others	63,714	5,227	43,403	(35,864)	1,082	77,562
Sub-total	753,154	5,227	86,079	(123,587)	8,041	728,914
Less: impairment provisions	-	-	-	-	-	-
Total	753,154	5,227	86,079	(123,587)	8,041	728,914

(i) Drilling platform mobilization fee refers to the crew's labor costs and platform operating expenses incurred before the platform arrive in the specific sea area as agreed in the contract.

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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 2020		31 December 2019	
	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)
Deferred tax assets:				
Provision for asset impairment	2,114,954	460,387	2,262,693	489,998
Accrued liability	753,887	162,096	912,983	195,506
Employee benefits payable	1,879,971	476,579	2,146,759	535,272
Accrued expenses	1,408,335	353,598	1,314,284	336,691
Deductible losses	3,670,803	744,798	3,222,265	648,908
Fair value changes of derivative financial assets	46,403	10,879	4,336	1,084
Fair value changes of other debt investments	-	-	7	2
Right-of-use assets depreciation	30,681	7,223	3,572	893
Intra-group unrealised revenue	28,378	7,091	28,047	7,012
Others	243,010	58,321	157,643	47,687
Sub-total	10,176,422	2,280,972	10,052,589	2,263,053
Offsetting amount	(1,130,477)	(271,687)	(1,851,151)	(462,788)
Offsetting balances	9,045,945	2,009,285	8,201,438	1,800,265
Including:				
Amount expected to be reversed within 1 year (inclusive)		281,301		536,358
Amount expected to be reversed over 1 year		1,727,984		1,263,907
		2,009,285		1,800,265
Deferred tax liabilities:				
Fair value changes of derivative financial assets	(15,760)	(3,452)	(91,868)	(22,967)
Fair value changes of investment properties	(1,299,106)	(274,746)	(1,298,802)	(274,700)
Revaluation gain through business combination	(1,006,896)	(240,441)	(1,030,897)	(238,703)
Debt restructuring income	(1,364,848)	(341,212)	(1,364,848)	(341,212)
Gross profit of overseas projects (pay tax after completion)	(502,137)	(125,534)	(609,947)	(152,487)
Accelerated depreciation of fixed assets	(767,967)	(187,058)	(758,852)	(185,283)
Enterprise relocation income	(12,761,554)	(3,190,389)	(12,761,554)	(3,190,389)
Taxable property sales (pay tax after sale)	(1,049,368)	(262,342)	(1,140,096)	(260,547)
Interest capitalised	(254,098)	(63,525)	(214,060)	(53,515)
Others	(566,168)	(141,542)	(235,544)	(73,050)
Sub-total	(19,587,902)	(4,830,241)	(19,506,468)	(4,792,853)
Offsetting amount	1,130,477	271,687	1,851,151	462,788
Offsetting balances	(18,457,425)	(4,558,554)	(17,655,317)	(4,330,065)
Including:				
Amount expected to be reversed within 1 year (inclusive)		(304,026)		(297,667)
Amount expected to be reversed over 1 year		(4,254,528)		(4,032,398)
		(4,558,554)		(4,330,065)

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

(2) Unrecognized deferred tax assets

	30 June 2020	31 December 2019
Deductible losses	2,316,730	2,102,940
Impairment losses of timber concession rights	24,705	24,705
Others	146,431	146,431
Total	2,487,866	2,274,076

(3) Maturity of deductible losses that are not recognized as deferred tax assets

	30 June 2020	31 December 2019	Note
2019	–	–	
2020	359,788	414,753	
2021	282,561	337,526	
2022	100,093	155,058	1
2023	122,238	177,203	
After 2023	9,990,281	8,499,440	
Total	10,854,961	9,583,980	

Note 1: As at 30 June 2019 and 2020, unrecognized 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.

(4) The offsetting balances of deferred tax assets and deferred tax liabilities are as below:

	30 June 2020		31 December 2019	
	Offsetting amount	Offsetting balances	Offsetting amount	Offsetting balances
Deferred tax assets	(271,687)	2,009,285	(462,788)	1,800,265
Deferred tax liabilities	271,687	(4,558,554)	462,788	(4,330,065)

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

27. Other non-current assets

	30 June 2020	31 December 2019
Prepayment for equipment	30,089	10,771
Prepayment for land use right	–	51
Prepayment for construction	252	21,694
Others	16,162	26,412
Total	46,503	58,928

28. Provision for asset impairment

	31 December 2019	Business combination	Current period additions	Current period decrease		Currency translation differences	30 June 2020
				Reversal	Write-off		
Provision for bad debts of notes receivables	1,492	3,173	615	(3,173)	–	(16)	2,091
Provision for bad debts of accounts receivables	1,135,068	–	70,554	(34,652)	(103,669)	(21,156)	1,046,145
Provision for bad debts of other receivables	241,387	–	3,159	(230)	(21,254)	4,045	227,107
Provision for bad debts of non-current assets due within one year	838,396	–	72,823	(84,177)	–	55	827,097
Impairment provisions of long-term receivables	384,760	–	125,063	(59,687)	–	(3,336)	446,800
Impairment provisions of contract assets	5,169	–	1,677	(612)	(443)	934	6,725
Sub-total	2,606,272	3,173	273,891	(182,531)	(125,366)	(19,474)	2,555,965
Provision for bad debts of advances to suppliers	37,114	–	1,952	(263)	(1,829)	(251)	36,723
Impairment provision for inventories and costs incurred to fulfil a contract	543,559	–	18,558	(3,407)	(48,901)	2,412	512,221
Impairment provisions of long-term equity investments	152,508	–	–	–	–	–	152,508
Impairment provisions of fixed assets	5,164,144	–	–	–	(3,865)	52,972	5,213,251
Impairment provisions of construction in progress	2,248,213	–	–	–	–	37,482	2,285,695
Impairment provisions of intangible assets	208,339	–	–	–	(1,958)	1,317	207,698
Impairment provisions of goodwill	429,541	–	–	–	–	1,869	431,410
Sub-total	8,783,418	–	20,510	(3,670)	(56,553)	95,801	8,839,506
Total	11,389,690	3,173	294,401	(186,201)	(181,919)	76,327	11,395,471

Please refer to the respective notes of the assets for reasons of the provision.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

29. Restricted assets

As at 30 June 2020, restricted assets are as follows:

	Notes	31 December 2019	Current period additions	Current period decrease	Exchange differences arising from translating foreign currencies	30 Jun 2020
- Cash at bank and on hand	IV.1	1,708,360	656,917	(198,525)	-	2,166,752
- Notes receivables	IV.4	33,924	7,800	(32,834)	-	8,890
- Receivables financing	IV.6	715,605	5,286	(13,845)	-	707,046
- Long-term receivables	IV.17	8,027,760	-	(309,852)	-	7,717,908
- Fixed assets	IV.9	40,237	116,989	-	-	157,226
- Inventories	IV.20	8,018,099	-	(879,062)	-	7,139,037
- Investment property	IV.19	-	677,443	-	-	677,443
- Intangible assets	IV.22	-	263,397	-	-	263,397
Total		18,543,985	1,727,832	(1,434,118)	-	18,837,699

The restricted cash at bank and on hand was security deposits and deposits with the People's Bank of China by the Finance Company, a subsidiary of the Group. Notes receivables were used for pledge for letter of guarantee and pledge for pool of notes. Receivables financing were discounted notes that have not yet expired and are subject to recourse. Long term receivables and inventories were used as collateral for mortgage loans. The restricted fix assets were used as collateral for long term payables.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. Short-term borrowings

(1) Classification of short-term borrowings:

	Note	30 June 2020	31 December 2019
Guaranteed	(a)		
USD		7,699,929	1,175,804
RMB		781,741	1,060,000
EUR		592,339	776,046
Sub-total		9,074,009	3,011,850
Pledged	(b)		
RMB		28,000	27,370
Unsecured			
USD		1,134,691	5,519,344
EUR		51,282	125,003
GBP		358,001	328,474
RMB		7,094,650	8,317,226
AUD		8,758	14,607
HKD		173,368	170,066
Others		16,260	–
Sub-total		8,837,010	14,474,720
Rediscounted notes			
RMB		–	26,795
Discounted notes			
RMB		–	16,462
Total		17,939,019	17,557,197

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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 2020, guaranteed short-term borrowings of the Group consisted of the followings: subsidiary Yangzhou Taili had a loan of RMB12,000,000 guaranteed by Yangzhou Tonglee; subsidiary CIMC Industry & City had a loan of RMB100,291,000 guaranteed by the shareholders of CIMC Industry & City; subsidiary CIMC Modern Logistics had a loan of RMB5,000,000 guaranteed by subsidiary Jiangsu Kaitong; subsidiary Huajun Casting had a loan of RMB119,600,000 guaranteed by subsidiary CIMC Vehicles; subsidiary C&C Trucks had a loan of RMB210,000,000 guaranteed by the Company; subsidiary CIMC Raffles had a loan of RMB149,950,000 guaranteed by subsidiary CIMC Raffles Offshore (Singapore) Limited; subsidiary C&C Marketing Service had a loan of RMB184,900,000 guaranteed by the Company; subsidiary Fortune had a loan of EUR24,500,000 (equivalent to RMB194,979,000) and USD1,086,500,000 (equivalent to RMB7,515,923,000) guaranteed by subsidiary CIMC Hong Kong; subsidiary Ziegler had a loan of EUR49,908,000 (equivalent to RMB397,360,000) guaranteed by the Company; subsidiary CIMC Intermodal Equipment had a loan of USD2,500,000 (equivalent to RMB17,693,000) guaranteed by subsidiary CIMC USA; subsidiary CIMC Financing and Leasing had a loan of USD23,500,000 (equivalent to RMB166,313,000) guaranteed by the Company.
- (b) As at 30 June 2020, the pledged loans of the Group was the loans of Wuhu CIMC Ruijiang pledged with trade acceptance bill from China CITIC Bank, amounting to RMB28,000,000.
- (c) As at 30 June 2020, there was no short-term borrowings owed to shareholders holding more than 5% (inclusive) of the voting rights of the Company.
- (d) As at 30 June 2020, the interest rate of short-term borrowings ranged from 0.80% to 6.31% (31 December 2019: 1.40% to 6.31%).

31. Notes payables

	30 June 2020	31 December 2019
Bank acceptance notes	2,122,820	2,356,667
Trade acceptance notes	168,436	224,472
Total	2,291,256	2,581,139

The above notes payables are due within one year.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32. Accounts payables

	30 June 2020	31 December 2019
Due to raw materials suppliers	10,700,958	9,827,823
Integrated logistics service charges	567,035	759,352
Project contract charges	830,224	1,197,805
Project procurement charges	99,450	136,533
Equipment procurement charges	586,484	593,824
Transportation charges	176,368	58,157
Processing charges	76,443	67,990
Others	227,106	103,780
Total	13,264,068	12,745,264

(1) The aging analysis of accounts payables according to the date of its entry is as follows:

	30 June 2020	31 December 2019
Within 1 year (inclusive)	12,339,733	11,802,112
1 to 2 years (inclusive)	642,931	510,225
2 to 3 years (inclusive)	99,180	200,371
Over 3 years	182,224	232,556
Total	13,264,068	12,745,264

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32. Accounts payables (Continued)

- (2) As at 30 June 2020, 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 2020		31 December 2019	
		Amount	% of total balance	Amount	% of total balance
Y&C Engine	Joint venture	91,130	0.69%	266,111	2.09%
Ningguo Guangshen	Associate	10,728	0.08%	9,907	0.08%
Qingchen bamboo	Associate	21,109	0.16%	6,200	0.05%
Ningbo Mediterranean	Associate	–	–	5,537	0.04%
Floerns Asset Management (USA), Limited	Subsidiary of a significant shareholder	–	–	3,170	0.02%
Zhejiang Xinlong Bamboo	Associate	1,194	0.01%	2,392	0.02%
Guangdong Excellence Landscape Design Engineering	Subsidiary of a minority shareholder	–	–	1,976	0.02%
Qingdao Port Lianhua International Logistics	Associate	–	–	1,392	0.01%
Nantong Xinyang Environmental Protection Board	Associate	–	–	562	0.00%
Zhaoqing Xiandai Zhumei Home Furnishing	Subsidiary of a minority shareholder	–	–	525	0.00%
Shenzhen Bisheng Development	Subsidiary of a minority shareholder	–	–	259	0.00%
Foshan Shunde Shunying Green Design Engineering Co., Ltd	Subsidiary of a minority shareholder	–	–	141	0.00%
Shanghai Shenyi Special Vehicle Parts Co., Ltd	Joint venture	–	–	–	–
Senju Jiangmen	Associate	–	–	–	–
CMIC	Associate	–	–	–	–
Asahi Trading Co.,Ltd	Minority shareholder of a subsidiary	4,226	0.03%	–	–
EMER International Ltd	Minority shareholder of a subsidiary	6,272	0.05%	–	–
Jiangsu Wanjing	Associate	–	–	16,220	0.13%
Others		7,256	0.05%	3,145	0.03%
Total		141,915	1.07%	317,537	2.49%

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

33. Advances from customers

	30 June 2020	31 December 2019
Rental advances	27,759	40,683
Total	27,759	40,683

As at 30 June 2020, advances from customers with an age of more than one year amounted to RMB27,759,000 (31 December 2019: RMB37,218,000), which were mainly advance platform rental payments of CIMC Raffles. As the prepaid rent is amortized over the useful life, the amount has not yet settled and is expected to be deducted within one year.

As at 30 June 2020, there was no advances from customers owed to shareholders holding more than 5% (inclusive) of the voting rights of Company or related parties.

34. Contract liabilities

	30 June 2020	31 December 2019
Advances for goods	4,329,486	4,411,511
Advances for construction	2,031,280	1,881,413
Advances for property	3,308,135	2,640,318
Advances for trade and logistics	45,761	67,579
Total	9,714,662	9,000,821

As at 30 June 2020, 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 2020		31 December 2019	
		Amount	% of total balance	Amount	% of total balance
Zhoushan Changhong	Associate	3,269	0.03%	47,192	0.52%
LiHua Energy	Associate	159	0.00%	-	-
Hangzhou Yinghe Investment Management Partnership (Limited Partnership)	Joint venture	-	-	260	0.00%
Shenzhen CIMC Central Vehicle Logistics and Smart Transportation Equity Investment Fund Partnership (Limited Partnership)	Joint venture	-	-	121	0.00%
Youjia Intelligent Vehicle Management (Shenzhen) Co., Ltd.	Associate	-	-	4	0.00%
Y&C Engine	Associate	-	-	2	0.00%
Kawasaki Zhenhua Logistics (Tianjin) Co., Ltd.	Joint venture	-	-	1	0.00%
Tianjin Shounong Dongjiang	Associate	-	-	1	0.00%
Total		3,428	0.03%	47,581	0.52%

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

35. Employee benefits payable

	Note	30 June 2020	31 December 2019
Short-term wages	(1)	3,159,578	3,417,304
Defined contribution plans	(2)	37,599	22,903
Dismissal welfare	(3)	778	1,348
		3,197,955	3,441,555

(1) Short-term wages

	31 December 2019	Current period additions	Current period decrease	Currency translation differences	30 June 2020
Wages and salaries, bonuses, allowances and subsidies	2,930,448	3,132,956	(3,417,889)	3,129	2,648,644
Profit-sharing bonus	342,520	–	(50,000)	–	292,520
Housing funds	24,005	121,679	(135,398)	19	10,305
Labor union funds and employee education funds	67,221	40,020	(26,902)	268	80,607
Social security contributions and others	10,809	75,936	(72,749)	(5)	13,991
Including: Medical insurance	6,556	69,026	(65,719)	(5)	9,858
Work injury insurance	1,822	2,594	(2,862)	–	1,554
Maternity insurance	2,431	4,316	(4,168)	–	2,579
Other short-term wages	42,301	474,778	(403,224)	(344)	113,511
Total	3,417,304	3,845,369	(4,106,162)	3,067	3,159,578

(2) Defined contribution plans

	31 December 2019	Current period additions	Current period decrease	Currency translation differences	30 June 2020
Basic pensions	18,977	110,091	(94,543)	146	34,671
Unemployment insurance	2,532	3,087	(3,085)	–	2,534
Enterprise annuities	1,394	5,109	(6,055)	(54)	394
Total	22,903	118,287	(103,683)	92	37,599

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

35. Employee benefits payable (Continued)

(3) Dismissal welfare

	30 June 2020	31 December 2019
Others (i)	778	1,348

(i) As at 30 June 2020, the Group provided other compensation amounting to RMB778,000 to compensate for the termination of employment relationship.

Except the salary accrued in the current month and paid in the next month, the rest of the salary, bonus, allowance and subsidy are mainly the Group assessment bonus accrued according to the annual performance assessment scheme and results of the Group but not yet paid.

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 chief executive officer bonus is determined annually based on the assessment of various performance indices. 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 chief executive officer bonus accrued in prior years.

36. Taxes payable

	30 June 2020	31 December 2019
Value-added-tax payable	251,738	305,371
Corporate income tax payable	468,068	523,033
Withholding individual income tax	28,843	32,502
City maintenance and construction tax payable	28,717	38,944
Educational surcharge payable	14,554	29,404
Land appreciation tax	905,669	808,933
Others	149,593	113,584
Total	1,847,182	1,851,771

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. Other payables

(1) Other payables

	Note	30 June 2020	31 December 2019
Loan from associates	(3)	3,188,430	3,087,000
Advance received		3,508,685	2,546,745
Accruals		2,297,162	2,403,464
Amount due to minority shareholders	(3)	1,715,978	1,700,058
Quality guarantees		659,205	555,754
Transportation expenses		171,968	209,806
Restructuring provisions		139,842	175,807
Restricted stock repurchase		69,736	112,449
Equipment or land use rights		270,064	82,639
Professional and training fees		45,437	22,053
External commission		24,043	21,018
Insurances		12,759	18,553
Housing maintenance fees		2,455	970
Royalties		114	24
Interest Payable		264,811	240,052
Including: Interest of short-term borrowings		34,299	52,389
Interest of corporate bonds		182,654	108,268
Interest of long-term borrowings		47,858	79,395
Dividends due to minority shareholders of subsidiaries		553,121	58,546
Others		791,944	642,279
Total		13,715,754	11,877,217

(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 2020, 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	Note	Relationship with the Group	30 June 2020		31 December 2019	
			Amount	% of total balance	Amount	% of total balance
Shangtai Real Estate	(i)	Associate	1,669,430	12.17%	1,568,000	13.20%
Shangrong Real Estate	(i)	Associate	1,519,000	11.07%	1,519,000	12.79%
Shenzhen Weixin Software Technology Co., Ltd ("Shenzhen Weixin")	(ii)	Minority shareholder of a subsidiary	954,500	6.96%	1,022,260	8.61%
Country Garden Property and its subsidiaries	(iii)	Minority shareholder of a subsidiary	761,478	5.55%	677,798	5.71%
Y&C Engine		Joint venture	30,100	0.22%	7,607	0.07%
Shanghai Feng Yang		Associate	26,390	0.19%	26,390	0.22%
OOS International B.V.		Associate	19,570	0.14%	19,209	0.16%
Zhengzhou Jinjibao Electronic Technology Co., Ltd.		Minority shareholder of a subsidiary	8,400	0.06%	–	0.00%
Xuzhou Wood		Associate	6,600	0.05%	–	0.00%
LiHua Energy		Associate	–	0.00%	33,605	0.28%
Sumitomo Japan		Minority shareholder of a subsidiary	–	0.00%	18,995	0.16%
Ningbo Mediterranean		Associate	–	0.00%	4,000	0.03%
Zhongyi Xinwei		Associate	–	0.00%	3,500	0.03%
Other related parties		Associate	936	0.01%	1,561	0.01%
Total			4,996,404	36.42%	4,901,925	41.27%

(i) As at 30 June 2020, Jixing Development and Jisheng Development, subsidiaries of the Group, respectively had borrowings amounting to RMB1,519,000,000 and RMB1,669,430,000 from Shangrong Real Estate And Shangtai Real Estate which are associates of the Group.

(ii) As at 30 June 2020, Shenzhen Zhicheng and Shanghai Zhifei, subsidiaries of the Group, respectively had borrowings amounting to RMB571,226,000 and RMB383,274,000 from Shenzhen Weixin which is a minority shareholder of the Group.

(iii) As at 30 June 2020, CIMC Industrial City, Dongguan Zhengyi, and Leyi Real Estate, subsidiaries of the Group, respectively had borrowings amounting to RMB707,143,000 RMB54,293,000, and RMB42,000 from Country Garden Property Co., Ltd., which is a minority shareholder.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Provisions

	Note	31 December 2019	Current period additions	Current period payment	Current period reversal	Currency translation differences	30 June 2020
Product warranties	(1)	1,018,254	239,809	(61,184)	(82,214)	8,846	1,123,511
Loss of pending actions		56,640	840	(32,238)	(883)	6	24,365
Relocation and liquidation compensation	(2)	240,147	–	(146,737)	–	–	93,410
Loss contract	(3)	75,483	59,924	(23,868)	–	1,173	112,712
Others	(4)	92,451	28,485	(6,068)	(4,855)	(9,415)	100,598
Total		1,482,975	329,058	(270,095)	(87,952)	610	1,454,596

- (1) The Group provides after-sales repair warranty to the customers, ranging from two to seven years for containers, one year for vehicles, one to seven years for pressure vessels, one to two years for airport ground facilities and one year for offshore engineering vessels 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 – product warranties" represents the Group's estimated obligation for such warranties of products sold out during the year and in the previous fiscal years.
- (2) It is mainly the relocation and liquidation compensation that accrued by some of subsidiaries of the Group due to relocation and liquidation.
- (3) CIMC Raffles undertook construction contracts and as the construction cost of some projects exceeds the price agreed in the contracts, it is expected to incur losses. Thus, CIMC Raffles made the estimated provision.
- (4) CIMC Vehicles, one of the subsidiaries, provides the guarantee for the banking loans by which the customers buy vehicle products from CIMC Vehicles. CIMC Vehicles would accrue a provision for the ending balance of the loan guarantee, considering the credit quality.

39. Current portion of non-current liabilities

The Group's current portion of non-current liabilities are analysed by categories as follows:

	Note	30 Jun 2020	31 December 2019
Current portion of long-term borrowings	IV.41		
– Unsecured		93,081	2,352,784
– Mortgaged		2,119,921	1,809,297
– Guaranteed		2,124,491	5,144,060
		4,337,493	9,306,141
Others		8,760	31,890
Current portion of lease liabilities	IV.43	130,597	155,325
Current portion of other non-current liabilities	IV.45	–	123,059
Total		4,476,850	9,616,415

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

40. Other current liabilities

	30 Jun 2020	31 December 2019
Commercial paper (i)	2,123,777	–
Others	14,819	4,106
	2,138,596	4,106

- (i) Commercial paper was issued by CIMC Hong Kong. On 16 September 2019, Bank of America Merrill Lynch and Bank of China New York Branch signed a framework agreement to issue USD0.3 billion of commercial paper in New York for a three-year term.

41. Long-term borrowings

Classification of long-term borrowings

	Note	30 June 2020	31 December 2019
Bank borrowings			
– Unsecured		5,761,694	6,651,209
– Mortgaged	(i)	9,140,701	7,301,752
– Guaranteed	(ii)	21,132,109	24,129,663
– Pledged	(iii)	1,816,824	2,141,819
		37,851,328	40,224,443
Less: current portion of long-term borrowings			
– Unsecured		(93,081)	(2,352,784)
– Mortgaged	(i)	(2,119,921)	(1,809,297)
– Guaranteed	(ii)	(2,124,491)	(5,144,060)
		(4,337,493)	(9,306,141)
Total		33,513,835	30,918,302

- (i) As at 30 June 2020, the Group's long-term mortgaged borrowings were comprised of the followings: Subsidiary CIMC Financing and Leasing borrowed USD496,530,000 (equivalent to RMB3,515,186,000) from the bank, using the contractual object of its finance lease as collateral, and an amount of USD169,322,000 (equivalent to RMB1,198,716,000) will expire within one year; subsidiary CIMC Industry & City used its properties under development as collateral to borrow RMB5,353,616,000 from the bank, and an amount of RMB921,205,000 will expire within one year; subsidiary Qianhaijijun used its land use rights as collateral to borrow RMB271,899,000 from the bank.
- (ii) As at 30 June 2020, the Group's long-term guaranteed borrowings were comprised of the followings: The guaranteed loan of subsidiary Fortune amounted to USD667,050,000 (equivalent to RMB4,720,807,000) which was guaranteed by CIMC Hong Kong, of which the guaranteed loan that expire within one year were USD270,000,000 (equivalent to RMB1,910,828,000); The guaranteed loan of subsidiary Fortune amounted to USD1,340,025,000 (equivalent to RMB9,483,546,000) which was guaranteed by the Company; The guaranteed loan of subsidiary Fortune amounted to USD892,070,000 (equivalent to RMB6,313,305,000) which was guaranteed by the Company and CIMC Hong Kong; The guaranteed loan of subsidiary CIMC Financing and Leasing guaranteed by CIMC Hong Kong amounted to USD32,161,000 (equivalent to RMB227,684,000), of which the guaranteed loan that expire within one year were USD12,298,000 (equivalent to RMB87,063,000); The guaranteed loan of subsidiary CIMC Industry & City guaranteed by the shareholders of CIMC Industry & City amount to RMB97,000,000, of which the guaranteed loan that expire within one year were RMB6,000,000; The guaranteed loan of subsidiary CIMC Industry & City guaranteed by the Company amount to RMB120,000,000, which expire within one year; The guaranteed loan of subsidiary of subsidiary CIMC Industry & City guaranteed by CIMC Industry & City amount to RMB49,850,000, of which the guaranteed loan that expire within one year were RMB600,000; The guaranteed loan of subsidiary Dongguan Tech guaranteed by Dongguan Industrial Park and CIMC Tech amount to RMB5,467,000; The guaranteed loan of subsidiary China Fire Safety guaranteed by Shenzhen CIMC TianDa Airport Support Ltd. amount to RMB114,450,000.
- (iii) As at 30 June 2020, the Group's long-term pledged borrowings were comprised of the followings: subsidiary CIMC Industry & City borrowed RMB1,500,000,000 from bank with 51% equity of its subsidiary SZ Shangqi and 51% equity of its subsidiary Leyi Real Estate as collateral; subsidiary China Fire Safety borrowed RMB316,824,000 from bank with 60% equity of Shenyang Jietong and 100% equity of Shanghai Jindun held by it as collateral.
- (iv) As at 30 June 2020, No amount due to the shareholders who hold more than 5% (inclusive) of the voting rights of the Company or due to related parties was included in the above balance of long-term borrowings (31 December 2019: Nil).
- (v) As at 30 June 2020, the interest rate of long-term borrowings ranged from 1.20% to 6.87% (31 December 2019: 1.20% to 6.87%).

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Debentures payable

		30 June 2020	31 December 2019
Medium-term notes	(1)	6,000,000	6,000,000
Corporation bonds	(2)	2,000,000	2,000,000
Convertible bond	(3)	9,047	14,049
Total		8,009,047	8,014,049

(1) Medium-term notes:

Debenture name	Par value	Issuance date	Maturity	Issuance amount
18 CIMC MTN001(i)	2,000,000,000	17/10/2018	3 years	2,000,000,000
19 CIMC MTN001(ii)	2,000,000,000	15/04/2019	3 years	2,000,000,000
19 CIMC MTN002(iii)	2,000,000,000	15/10/2019	3 years	2,000,000,000
Total	6,000,000,000			6,000,000,000

- (i) The Company issued 2018 medium-term notes (MTN) first tranche with an amount of RMB2 billion on 17 October 2018; with issue price and par value of RMB100 respectively per note and fixed interest rate of 4.29% per annum. Interest was 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.
- (ii) The Company issued 2019 medium-term notes (MTN) first tranche with an amount of RMB2 billion on 15 April 2019; with issue price and par value of RMB100 respectively per note and fixed interest rate of 4.05% per annum. Interest was 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.
- (iii) The Company issued 2019 medium-term notes (MTN) second tranche with an amount of RMB2 billion on 15 October 2019; with issue price and par value of RMB100 respectively per note and fixed interest rate of 3.64% per annum. Interest was to be paid on 15 October each year in the arrears until redemption and par value to be paid on 15 October 2022. The notes are unsecured and targets institutional investors in the national inter-bank market.

(2) Corporation bonds:

Debenture name	Par value	Issuance date	Maturity	Issuance amount
China International Marine Containers (Group) Co., Ltd. Publicly Issued Corporate Bonds to Qualified Investors in 2019 (Tranche I)	2,000,000,000	15/10/2019	3 years	2,000,000,000
Total	2,000,000,000			2,000,000,000

The Company issued 2019 Public Issued Corporate Bonds (Tranche I) to qualified investors with an amount of RMB2 billion on 15 October 2019; with issue price and par value of RMB100 respectively per bond and fixed interest rate of 3.63% per annum. Interest was to be paid annually and par value to be paid on 15 October 2022.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Debentures payable (Continued)

(3) Convertible bonds

On 23 April 2018, CIMC TianDa (formerly known as China Fire Safety Enterprise Group Limited), a subsidiary of the Group, issued convertible bonds to Sharp Vision, a subsidiary of the Group, and third parties as partial consideration for the stock exchange agreement. The convertible bonds are to be matured on 22 April 2048. They bear interest of 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 fair value of the convertible bonds issued, was calculated using the Binomial Pricing Model, including components of equity and liabilities. The value of the liability component of the convertible bond held by a third party is as follows:

	Held by other third party
Fair value of the convertible bonds at date of issue	573,905
Liability component at date of issue	31,458
Conversion into shares of CIMC TianDa	(26,008)
Interest charge	4,259
Interest payable	(662)
Liability component at 30 June 2020	9,047

43. Lease liabilities

	30 June 2020	31 December 2019
Lease liabilities	741,069	823,289
Less: Current portion of non-current liabilities (Note IV.39)	(130,597)	(155,325)
	610,472	667,964

44. Deferred income

	Note	31 December 2019	Current period additions	Current period decrease	30 June 2020	Reason
Government grants	(1)	1,088,594	311,860	(248,870)	1,151,584	Government Grants received, to be recognized in future periods
Others		8,011	-	(3,161)	4,850	Outright sale of operating leasing receivables, to be recognized in future periods
Total		1,096,605	311,860	(252,031)	1,156,434	

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

44. Deferred income (Continued)

(1) Government grants

	31 December 2019	Increase in current period	Decrease in the current period			30 June 2020	Asset related/ Income related
			Other income	Gains on disposals of assets	Other decrease		
CIMC Raffles National Development and Reform Commission on the release of industrial upgrading project budget report	200,000	-	-	-	-	200,000	Asset related
Enric relocation compensation	162,856	-	-	-	(3,566)	159,290	Asset related
YZTH relocation compensation	141,957	240,000	(164,601)	(18,957)	(5,248)	193,151	Asset related
Enric new factory government grants	69,989	-	-	-	(1,735)	68,254	Asset related
CIMC Offshore Holdings natural gas hydrate drilling and mining equipment research and development project	47,387	372	-	-	-	47,759	Asset related
CIMC Offshore Holdings marine engineering intelligent key technology research and system development project	43,245	-	-	-	-	43,245	Asset related
Shaanxi CIMC Vehicles Industry Garden construction grants	42,198	-	(179)	-	-	42,019	Income related
TianDa Airport industrial base project	25,517	-	(711)	-	-	24,806	Asset related
C&C Trucks Sanshan District government building ownership donation	25,473	-	(462)	-	-	25,011	Asset related
QDCRC world bank foaming equipment project	22,915	-	(1,155)	-	-	21,760	Asset related
CIMC Raffles Seventh Generation Super Deep-water Drilling Platform (Boat) Innovation Special Project	17,200	9,457	-	-	-	26,657	Income related
Shenyang Jietong factory demolition government grants	16,499	-	(101)	-	-	16,398	Asset related
EMA deep-water semi-submersible support platform project	13,824	-	(2,472)	-	-	11,352	Asset related
CIMC Raffles Marine Engineering Equipment Testing and Inspection Platform Construction	12,672	-	-	-	(27)	12,645	Asset related
QDSCR world bank foaming equipment project	11,220	-	-	-	-	11,220	Asset related
Taicang Special Equipment government grants project	10,484	-	(152)	-	-	10,332	Asset related
TCCIMC	9,074	-	(131)	-	-	8,943	Asset related
XHCIMCS Zhujiang river west bank advanced equipment manufacturing special fund	8,440	-	-	-	-	8,440	Asset related
CQLE Land grant fee refund	7,419	-	-	-	(100)	7,319	Asset related
High-end marine engineering equipment innovation capacity building project	7,000	-	(471)	-	-	6,529	Asset related
CIMC Raffles Marine Equipment Virtual Reality Training R&D Center	6,893	-	-	-	(354)	6,539	Asset related
NTCIMCS major achievements transformation project	6,681	-	-	-	-	6,681	Income related

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

44. Deferred income (Continued)

(1) Government grants (Continued)

	31 December 2019	Increase in current period	Other income	Decrease in the current period Gains on disposals of assets	Other decrease	30 June 2020	Asset related/ Income related
CIMC Offshore Holdings offshore test platform project	6,539	-	(1,666)	-	-	4,873	Asset related
CIMC Offshore Holdings Gas hydrate test production platform safety guarantee technology and early engineering	6,000	-	(1,456)	-	-	4,544	Asset related & Income related
CIMC Raffles New Material Production and Application Demonstration Platform Construction Project	5,252	-	-	-	(4)	5,248	Income related
CIMC Offshore Holdings offshore engineering equipment localization-deep sea testing ground	4,687	-	(8)	-	-	4,679	Asset related & Income related
TianDa Airport information technology industrial development special fund	4,632	-	(362)	-	-	4,270	Asset related
Zhenhua Group Drop and Pull Transport Program	4,587	-	(86)	-	-	4,501	Income related
Shenyang Jietong technological transformation subsidies	4,305	-	(416)	-	-	3,889	Income related
MEA-other	3,935	-	(384)	-	-	3,551	Income related
CIMC Raffles research and development fund of key technologies for integrated disassembly of super large offshore oilfield facilities	3,871	-	-	-	(2)	3,869	Income related
Land supporting funds and technical R&D funds of KGR	3,595	-	-	-	(112)	3,483	Asset related
MEA special funds to support industrial innovation	3,054	-	(2,044)	-	-	1,010	Asset related
Shenzhen Super Luxury Yacht R&D Design Laboratory Project	2,977	-	(498)	-	-	2,479	Asset related
Development of Wireless Extended Observation System for Submarine Observation Network	2,218	4,692	(8)	-	-	6,902	Asset related & Income related
Shenzhen Star Base Equipment and Technology Engineering Laboratory Project	2,083	-	(500)	-	-	1,583	Asset related
A variety of communication interface special equipment controller and system industrialization project	1,817	-	(218)	-	-	1,599	Asset related
Transformation project of high-tech in Jiangsu Province of YZRYL	1,577	-	-	-	-	1,577	Asset related
C&C Trucks equipment finance lease subsidies	1,488	-	(263)	-	(525)	700	Asset related
Jiajing Technology key industry technology research institute technical support	676	-	(56)	-	-	620	Asset related
TianDa Airport technology development fund	595	-	(48)	-	-	547	Asset related

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

44. Deferred income (Continued)

(1) Government grants (Continued)

	31 December 2019	Increase in current period	Other income	Decrease in the current period Gains on disposals of assets	Other decrease	30 June 2020	Asset related/ Income related
MEA received the special fund/cloud platform project of the independent innovation demonstration zone	50	-	-	-	-	50	Asset related
Others	115,713	57,339	(39,792)	-	-	133,260	Asset related & Income related
Total	1,088,594	311,860	(218,240)	(18,957)	(11,673)	1,151,584	

45. Other non-current liabilities

	Notes	30 June 2020	31 December 2019
Rental advances		7,209	92,873
Foreign exchange forward contracts	IV.3(1)	38	-
Interest rate swap contracts	IV.3(3)	21,023	40,275
Financial guarantee contracts		12,389	12,208
Others (i)		2,197,135	1,360,724
		2,237,794	1,506,080
Less: Current portion of other non-current liabilities			
Others		-	(123,059)
		2,237,794	1,383,021

- (i) Others were mainly comprised of the followings: subsidiary CIMC Industry & City issued the "Zhonglian Qianhai Open Source-CIMC Industry City Industrial Park No. 1 Phase I Asset Support Special Plan" with an amount of RMB342,578,000; subsidiary CIMC Industry & City, as an inferior partner, issued the "CIMC Agricultural Bank-CIMC Industrial Park Special Investment Fund" with an amount of RMB825,567,000; subsidiary CIMC Industry & City issued the "private placement notes (PPN)" with an amount of RMB901,852,000.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

46. Share capital

	31 December 2019 '000	Current period additions '000	Current period decrease '000	Change of Shares subject to selling restriction '000	30 June 2020 '000
Shares subject to trading restriction					
Held by domestic natural person (i)	850	–	–	–	850
Shares not subject to trading restriction					
RMB-denominated ordinary shares	1,523,762	1,571	–	–	1,525,333
Foreign shares listed overseas	2,059,892	–	–	–	2,059,892
Total	3,584,504	1,571	–	–	3,586,075

	31 December 2018 '000	Current year additions '000	Current year decrease '000	Change of Shares subject to selling restriction '000	31 December 2019 '000
Shares subject to trading restriction					
Held by domestic natural person	762	88	–	–	850
Shares not subject to trading restriction					
RMB-denominated ordinary shares	1,267,650	256,112	–	–	1,523,762
Foreign shares listed overseas	1,716,577	343,315	–	–	2,059,892
Total	2,984,989	599,515	–	–	3,584,504

The par value of the aforesaid shares was RMB1.00.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

47. Other equity instruments

	31 December 2019	Current period issuance	Interest at par value	Paid in current period	Other current period additions	30 June 2020
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
Perpetual debt investment contract	–	2,000,000	18,685	(15,370)	–	2,003,315
Total	4,007,545	2,000,000	118,885	(15,370)	–	6,111,060

	31 December 2018	Current year issuance	Interest at par value	Paid in current year	Other current year additions	31 December 2019
18 CIMC MTN002	2,006,165	–	103,400	(103,400)	–	2,006,165
18 First Phase Renewable Corporate Bond	2,001,380	–	97,000	(97,000)	–	2,001,380
Total	4,007,545	–	200,400	(200,400)	–	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 general 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 Company can choose to defer the payment. From the fourth interest-bearing year, the coupon rate is reset every 3 years. This instrument has no settled maturity date, and the Company 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 the deferred interest (including the interest of deferred interest), the issuer cannot carry out distribution of dividend, reduce capital or other actions.

On 3 December 2018, the Company 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 general corporate financing. The interest rate is 4.85% per annum at the first 3 interest-bearing years. From 5 December 2019, the interest will be paid once a year and the Company can choose to defer the payment. From the fourth interest-bearing year, the coupon rate is reset every 3 years. This instrument has no settled maturity date, and the Company 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.

On 30 April 2020, the Company and China Merchants Bank signed an agreement that China Merchants Bank shall invest in the Company's perpetual debt with the funds legally raised and entitled to be used by issuing bank's financial planning, and amount of investment capital received by the Company is RMB2,000,000,000. The investment plan is made for general corporate financing purposes and the initial investment period is 24 months. The investment plan does not have a fixed maturity and may be redeemed by the Company on the option of the redemption date or the date of application for redemption by paying the principal amount of the perpetuity debt investment, interest payable and all other outstanding amounts payable under the contract. Before the settlement of the deferred interest (including the interest of deferred interest), the Company cannot carry out distribution of dividend, capital reduction or other actions.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

48. Capital reserve

	31 December 2019	Current period additions	Current period decrease	30 June 2020
Capital surplus	3,123,934	21,719	–	3,145,653
Other capital reserve:				
– Exchange reserve on foreign currency capital	692	–	–	692
– Donated non-cash assets reserve	257	–	–	257
– Equity settled share-based payment	428,265	4,488	(10,632)	422,121
– Capital reserve due to share option exercised by subsidiary	8,608	–	(30)	8,578
– Capital reserve due to minority shareholders' contribution	1,412,512	–	(55,137)	1,357,375
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)	915,936	–	–	915,936
– Capital reserve due to corporate restructuring	(42,696)	–	–	(42,696)
– Capital reserve due to acquiring minority shareholders' equity	(527,927)	882	–	(527,045)
– Capital reserve due to minority shareholders' contribution	(58,964)	–	–	(58,964)
– Effect of functional currency change	(406,795)	–	–	(406,795)
– Capital reserve due to acquisition or establishment of subsidiary	(107,258)	–	(5,301)	(112,559)
– Recognition of buy-back right granted to minority shareholders	–	–	–	–
– Others	134,747	2,930	–	137,677
Total	4,881,311	30,019	(71,100)	4,840,230

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

48. Capital reserve (Continued)

	31 December 2018	Current year additions	Current year decrease	31 December 2019
Capital surplus	3,686,478	34,544	(597,088)	3,123,934
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	39,326	(16,431)	428,265
– Capital reserve due to share option exercised by subsidiary	10,095	–	(1,487)	8,608
– Capital reserve due to minority shareholders' contribution	1,396,843	77,685	(62,016)	1,412,512
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	24,123	(973)	915,936
– Capital reserve due to corporate restructuring	(42,696)	–	–	(42,696)
– Capital reserve due to acquiring minority shareholders' equity	(528,433)	506	–	(527,927)
– Capital reserve due to minority shareholders' contribution	(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	4,896	–	134,747
Total	4,128,400	1,430,906	(677,995)	4,881,311

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

49. Other comprehensive income

	For the Period from 1 January to 30 June 2020					30 June 2020
	31 December 2019	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:						
– Net changes in fair value of other equity investments	517,418	(174,988)	–	(174,988)	–	342,430
Item that may be reclassified subsequently to profit or loss:						
– Property revaluation reserve	43,754	–	–	–	–	43,754
– Cash flow hedges	2,578	–	–	–	–	2,578
– Changes in fair value of other debt investments (including receivables financing)	2,282	7	(2)	5	–	2,287
– Currency translation differences	439,872	52,541	–	36,331	16,210	476,203
– 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 was converted to investment properties using fair value measurement	732,060	–	–	–	–	732,060
	1,715,326	(122,440)	(2)	(138,652)	16,210	1,576,674

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

49. Other comprehensive income (Continued)

	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	31 December 2019
Item that will not be reclassified to profit or loss:						
– Net changes in fair value of other equity investments	280,741	236,677	–	236,677	–	517,418
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
– Net changes in fair value of other debt investments (including receivables financing)	1,599	911	(228)	683	–	2,282
– Currency translation differences	(11,315)	539,139	–	451,187	87,952	439,872
– 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
– Revaluation gain on the date of transfer from owner-occupied properties to investment properties	543,850	412,336	(113,217)	188,210	110,909	732,060
	838,711	1,188,896	(113,420)	876,615	198,861	1,715,326

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

50. Surplus reserve

	31 December 2019	Current period additions	Current period decrease	30 June 2020
Statutory surplus reserve	1,792,251	–	–	1,792,251
Discretionary surplus reserve	1,790,092	–	–	1,790,092
Total	3,582,343	–	–	3,582,343

	31 December 2018	Current year additions	Current year decrease	31 December 2019
Statutory surplus reserve	1,492,493	299,758	–	1,792,251
Discretionary surplus reserve	1,790,092	–	–	1,790,092
Total	3,282,585	299,758	–	3,582,343

In accordance with the PRC 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 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 of prior years or increase the capital after approval from the appropriate authorities.

51. Undistributed profits

	Note	For the Period from 1 January to 30 June 2020	2019
Undistributed profits at the beginning of the year		21,482,857	22,082,769
Changes in accounting policies		–	–
Undistributed profits at the beginning of the year		21,482,857	22,082,769
Add: Net profit attributable to shareholders and other equity holders of the parent company for the current period		(182,797)	1,542,226
Less: Effect of issue of perpetual bonds		(118,885)	(200,400)
Less: Appropriation to surplus reserve		–	(299,758)
Less: Ordinary share dividends payable	(1)	(430,348)	(1,641,980)
Undistributed profits at the end of the period		20,750,827	21,482,857

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

51. Undistributed profits (Continued)

(1) Dividends of ordinary shares declared during the period

	For the Period from 1 January to 30 June 2020	2019
Dividends proposed but not declared at the end of the period	–	–
Total proposed dividends during the period	430,348	1,641,980

In accordance with the approval at the shareholders' general meeting held on 1 June 2020, the Company paid cash dividends in the amount of RMB0.12 per share (2019: RMB0.55 per share) to the ordinary shareholders on 24 June 2020, totalling RMB430,348,000 (2019: RMB1,641,980,000).

52. Revenue and cost of sales

	For the Period from 1 January to 30 June 2020	For the Period from 1 January to 30 June 2019
Revenue from principal operations	38,524,656	41,770,290
Revenue from other operations	907,151	947,439
Total	39,431,807	42,717,729
Cost of sales from principal operations	33,612,216	36,540,349
Cost of sales from other operations	754,016	406,861
Total	34,366,232	36,947,210

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

52. 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 2020		For the Period from 1 January to 30 June 2019	
	Revenue from principal operations	Cost of sales from principal operations	Revenue from principal operations	Cost of sales from principal operations
Containers manufacturing	8,009,540	7,431,983	10,870,429	9,971,428
Road transportation vehicles	10,921,533	9,570,542	12,366,128	10,632,013
Energy, chemical and liquid food equipment	5,593,999	4,831,128	6,895,008	5,755,549
Logistics services	4,414,466	4,068,341	4,263,005	3,910,886
Unit load	1,004,629	824,449	–	–
Airport facilities, fire safety and automated logistics equipment	2,142,810	1,705,774	2,260,208	1,826,566
Heavy truck	853,032	843,862	980,249	1,038,045
Finance and asset management	777,054	302,573	938,950	630,075
Offshore engineering	2,306,467	2,308,427	1,281,081	1,222,782
Industrial city development	1,253,899	778,864	557,411	219,633
Others	1,247,227	946,273	1,357,821	1,333,372
Total	38,524,656	33,612,216	41,770,290	36,540,349

(2) Revenue and cost of sales from principal operations by location

	For the Period from 1 January to 30 June 2020		For the Period from 1 January to 30 June 2019	
	Revenue from principal operations	Cost of sales from principal operations	Revenue from principal operations	Cost of sales from principal operations
PRC	34,229,592	30,167,973	35,646,952	31,835,353
Europe	2,323,753	2,013,143	2,928,537	2,443,591
America	1,611,284	1,171,895	2,518,994	1,805,081
Asia (except for PRC)	278,084	201,161	428,008	300,389
Others	81,943	58,044	247,799	155,935
Total	38,524,656	33,612,216	41,770,290	36,540,349

The revenue and cost of sales from principal operations by locations was 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)

52. Revenue and cost of sales (Continued)

(3) Revenue and cost of sales from other operations

	For the Period from 1 January to 30 June 2020		For the Period from 1 January to 30 June 2019	
	Revenue from other operations	Cost of sales from other operations	Revenue from other operations	Cost of sales from other operations
Rendering of services	765,702	613,100	824,182	325,858
Sale of raw materials	141,449	140,916	123,257	81,003
Total	907,151	754,016	947,439	406,861

(4) Revenue by categories

	For the Period from 1 January to 30 June 2020												Total
	Containers manufacturing	Road transportation vehicles	Energy, chemical and liquid food equipment	Offshore engineering	Airport facilities, fire safety and automated logistics equipment	Logistics services	Unit load	Finance and asset management	Industrial city development	Heavy truck	Others		
Revenue from principal operations Including:													
Recognized at a point in time	8,009,540	10,816,333	4,272,606	342,776	1,926,769	-	1,004,629	-	1,253,899	853,032	1,247,227	29,726,811	
Recognized over time	-	56,943	1,321,393	1,963,691	216,041	4,414,466	-	29,802	-	-	-	8,002,336	
Lease income	-	48,257	-	-	-	-	-	747,252	-	-	-	795,509	
	8,009,540	10,921,533	5,593,999	2,306,467	2,142,810	4,414,466	1,004,629	777,054	1,253,899	853,032	1,247,227	38,524,656	

	For the Period from 1 January to 30 June 2019												Total
	Containers manufacturing	Road transportation vehicles	Energy, chemical and liquid food equipment	Offshore engineering	Airport facilities, fire safety and automated logistics equipment	Logistics services	Unit load	Finance and asset management	Industrial city development	Heavy truck	Others		
Revenue from principal operations Including:													
Recognized 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	
Recognized over time	-	69,567	2,316,296	861,591	359,388	4,263,005	-	18,966	-	-	-	7,888,813	
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	

Notes to the Financial Statements

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

52. Revenue and cost of sales (Continued)

(4) Revenue by categories (Continued)

As at 30 June 2020, the amount of revenue corresponding to the performance obligations of the Group that have signed the contract but not yet fulfilled or not fulfilled was RMB9,714,662,000 (31 December 2019: RMB9,000,821,000), of which the Group expected that RMB7,335,870,000 will be recognized in second half of 2020, RMB2,015,308,000 will be recognized in 2021, and RMB363,484,000 will be recognized in 2022 and beyond.

53. Taxes and surcharges

	For the Period from 1 January to 30 June 2020	For the Period from 1 January to 30 June 2019	Standard
City maintenance and construction tax	48,706	70,174	7% of VAT
Educational sur-charge	23,620	53,282	3%-5% of VAT paid
Tenure tax	43,527	90,455	Actual using area of land and unit tax
Land appreciation tax	138,430	52,715	Appreciation amount in transferring property and applicable tax rate
Housing property tax	45,157	39,059	Real estate surplus or property rental income and applicable tax rate
Stamp duty	24,269	20,557	Amount or number of taxable voucher and applicable tax rate or unit tax
Others	18,158	3,805	
Total	341,867	330,047	

54. Selling expenses

	For the Period from 1 January to 30 June 2020	For the Period from 1 January to 30 June 2019
Employ benefits	469,548	457,665
Selling operation	139,180	176,313
Warranty	81,442	94,985
External sales commission	28,490	24,944
Advertising	39,313	18,305
Product maintenance fee	24,597	22,603
Agency fees	21,161	19,256
Storage	25,759	36,346
Transportation and distribution expenses	5,760	6,443
Others	96,468	96,121
Total	931,718	952,981

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

55. General and administrative expenses

	For the Period from 1 January to 30 June 2020	For the Period from 1 January to 30 June 2019
Employ benefits	1,120,906	1,167,660
Performance bonus and profit sharing bonus	51,000	55,511
Agency fees	98,575	121,537
Amortisation	120,909	127,045
Depreciation	100,570	118,794
Rental	72,163	36,761
Entertainment fee	49,042	63,961
Travel expenses	26,453	51,752
Taxes and surcharges	21,438	33,630
Materials consumed and low-value consumables	50,108	112,367
Share-based payment expenses	6,581	28,681
Insurance, external repairing expenses and others	362,454	271,492
Total	2,080,199	2,189,191

56. Research and development expenses

	For the Period from 1 January to 30 June 2020	For the Period from 1 January to 30 June 2019
Research and development labor costs	261,995	214,035
Direct material consumption	190,791	194,787
Design fee	20,451	57,553
Depreciation and amortisation	59,624	24,098
Testing fee	33,133	27,201
Others	23,091	19,983
Total	589,085	537,657

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

57. Financial expenses

	For the Period from 1 January to 30 June 2020	For the Period from 1 January to 30 June 2019
Interest expenses of borrowings	1,352,722	1,057,468
Less: capitalised interest expenses	(460,961)	(182,684)
Less: interest income of bank deposits	(211,190)	(371,671)
Exchange gains/(losses)	(90,384)	(6,726)
Others	84,086	64,632
Total	674,273	561,019

58. 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 2020	For the Period from 1 January to 30 June 2019
Finished goods and work-in-progress movement	368,802	262,178
Consumption of raw materials and low priced and easily worn articles, etc	29,097,499	31,989,079
Salary and wages	3,964,434	4,016,322
Depreciation and amortization	1,649,602	1,233,065
Rental	96,629	80,695
Shipping and handling charges	535,900	581,237
Selling operation expenses	139,180	176,313
Power expenses	287,261	359,155
Processing and repairing expenses	351,878	351,203
Other expenses – other research and development expenses	589,085	537,657
Other expenses – other manufacturing expenses	231,294	374,156
Other expenses – other selling and distribution expenses	266,611	274,390
Other expenses – other general and administrative expenses	389,059	391,589
Total	37,967,234	40,627,039

As mentioned in Note II.27, the Group directly includes the rental expenses of short-term leases and low-value leases in the current profit and loss, and the amount during the period of six months ended 30 June in 2020 was RMB96,629,000.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

59. Fair value losses

	For the Period from 1 January to 30 June 2020	For the Period from 1 January to 30 June 2019
Financial assets at fair value through profit or loss		
– Changes in fair value during the period		
1. Fair value gains on equity instruments held for trading	(51,828)	14,679
2. Fair value gains on debt instruments held for trading	(11,570)	–
3. Fair value losses on derivative financial instruments	(135,907)	(218,851)
– Gains for derecognised financial assets at fair value through profit or loss	46,742	1,149
Sub-total	(152,563)	(203,023)
Investment properties at fair value	304	–
Financial liabilities at fair value through profit or loss		
– Changes in fair value during the period		
Fair value losses on derivative financial instruments	(185,228)	(160)
Sub-total	(185,228)	(160)
Total	(337,487)	(203,183)

60. Investment income/(losses)

Investment income by categories

	For the Period from 1 January to 30 June 2020	For the Period from 1 January to 30 June 2019
Income from financial assets held for trading during the holding period	8,053	15,205
(Losses)/income from disposal of financial assets/liabilities held for trading	–	(14,415)
Income from other equity instruments during the holding period	18,208	9,511
(Losses)/income from disposal of derivative financial assets	(46,742)	23,026
Income from long-term equity investments under equity method	54,891	25,064
Income from disposal of long-term equity investment	66,577	18,527
Interest income from debt investment during the holding period	13,829	–
Others	3,467	12,290
Total	118,283	89,208

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

61. Gains on disposals of assets

	For the Period from 1 January to 30 June 2020	For the Period from 1 January to 30 June 2019	Amount recognised in non-recurring profit or loss for the Period from 1 January to 30 June 2020
Gains on disposals of fixed assets	89,438	68,021	89,438
Loss on disposals of fixed assets	(1,604)	(13,028)	(1,604)
Gains on disposals of intangible assets	22,112	–	22,112
Loss on disposals of intangible assets	–	(175)	–
Total	109,946	54,818	109,946

62. Other income

	For the Period from 1 January to 30 June 2020	For the Period from 1 January to 30 June 2019	Asset related/Income related
Financial subsidies	292,044	406,394	Asset related/Income related
Tax refund	34,796	7,316	Income related
Others	31,779	15,009	Income related
Total	358,619	428,719	

63. Asset impairment losses

	For the Period from 1 January to 30 June 2020	For the Period from 1 January to 30 June 2019
Construction in progress	–	–
Inventories and costs incurred to fulfil a contract	15,151	13,818
Goodwill	–	–
Fixed assets	–	–
Intangible assets	–	–
Long-term equity investments	–	–
Advances to suppliers	1,689	(13,947)
Total	16,840	(129)

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

64. Credit losses

	For the Period from 1 January to 30 June 2020	For the Period from 1 January to 30 June 2019
Long-term receivables (including current portion of non-current assets)	54,022	27,156
Notes receivables	(2,558)	–
Accounts receivables	35,902	22,599
Contract assets	1,065	3,867
Other receivables	2,929	(2,824)
Financial guarantee for vehicle loans	913	–
	92,273	50,798

65. Non-operating income

	For the Period from 1 January to 30 June 2020	For the Period from 1 January to 30 June 2019	Amount recognised in non-recurring profit or loss for the Period from 1 January to 30 June 2020
Unpayable payables	44,252	51,515	44,252
Compensation income	2,524	18,920	2,524
Penalty income	9,944	1,253	9,944
Relocation compensation	–	69,880	–
Others	26,765	24,291	26,765
Total	83,485	165,859	83,485

Notes to the Financial Statements

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

66. Non-operating expenses

	For the Period from 1 January to 30 June 2020	For the Period from 1 January to 30 June 2019	Amount recognised in non-recurring profit or loss for the Period from 1 January to 30 June 2020
Losses of restructuring debt	–	9,957	–
Losses of disposals of fixed assets	6,963	5,308	6,963
Donations	2,577	3,130	2,577
Penalty expenses	749	2,852	749
Compensation expenses	2,310	7,749	2,310
Abnormal losses	2,641	3,910	2,641
Others	15,576	11,314	15,576
Total	30,816	44,220	30,816

67. Income tax expenses

	For the Period from 1 January to 30 June 2020	For the Period from 1 January to 30 June 2019
Current income tax calculated based on tax law and related regulations	379,662	486,533
Deferred income tax	19,470	51,403
Total	399,132	537,936

Reconciliation between tax expense and accounting profit at applicable tax rates:

	For the Period from 1 January to 30 June 2020	For the Period from 1 January to 30 June 2019
Profit before tax	641,350	1,640,156
Income tax expenses calculated at applicable tax rates	418,960	414,085
Effect of tax incentive	(107,002)	(50,639)
Expenses not deductible for tax purposes	5,846	9,260
Other income not subject to tax	(194,265)	(88,901)
Deductible losses in previously unrecognized deferred income tax assets	(39,599)	(16,744)
Deductible losses in unrecognized deferred income tax assets	253,664	222,157
Deductible temporary differences in unrecognized deferred tax assets	–	–
Deductible temporary differences for which no deferred tax assets was recognized in previous years	89,050	58,378
Effect of tax rate change on deferred tax	2,832	(4,113)
Tax refund for income tax annual filing	(30,354)	(5,547)
Income tax expenses	399,132	537,936

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

68. 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 of the Company:

	For the Period from 1 January to 30 June 2020	For the Period from 1 January to 30 June 2019
Consolidated net profit attributable to ordinary shareholders and other equity holders of the Company	(182,797)	679,829
Effect of issue of perpetual bonds by the Company	(118,885)	(100,200)
Consolidated net profit attributable to ordinary shareholders of the Company (adjusted)	(301,682)	579,629
Weighted average number of ordinary shares outstanding of the Company ('000)	3,585,290	3,582,369
Basic earnings per share (RMB per share)	(0.0841)	0.1618
Including: continuously operating basic earnings per share	(0.0841)	0.1618

(2) Diluted earnings per share

Diluted earnings per share is calculated by dividing consolidated net profit attributable to ordinary shareholders of the Company (adjusted) by the adjusted weighted average number of ordinary shares outstanding of the Company:

	For the Period from 1 January to 30 June 2020	For the Period from 1 January to 30 June 2019
Consolidated net profit attributable to ordinary shareholders and other equity holders of the Company	(182,797)	679,829
Effect of issue of perpetual bonds by the Company	(118,885)	(100,200)
Effect of issue of convertible bonds by the Group's subsidiaries	-	-
Effect of the share-based payment of the Group's subsidiaries	-	(4,113)
Consolidated net profit attributable to ordinary shareholders of the Company (adjusted)	(301,682)	575,516
Weighted average number of ordinary shares outstanding of the Company (diluted) ('000) (adjusted)	3,585,290	3,589,101
Diluted earnings per share (RMB/share)	(0.0841)	0.1604

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

68. Earnings per share (Continued)

(2) Diluted earnings per share (Continued)

(a) Calculation of weighted average number of ordinary shares (diluted):

	For the Period from 1 January to 30 June 2020	For the Period from 1 January to 30 June 2019
Weighted average number of ordinary shares outstanding of the Company ('000)	3,585,290	3,582,369
Effect of share options of the Company ('000)	-	6,732
Weighted average number of ordinary shares outstanding of the Company (diluted) ('000)	3,585,290	3,589,101

The Board of the Company was authorised to grant 60,000,000 share options (1.67% of the 3,586,074,802 shares issued by the Company at the end of the current period) to the senior management and other staff of the Company. Please refer to Note IX for details.

69. Notes to cash flow statement

(1) Cash received related to other operating activities

	For the Period from 1 January to 30 June 2020	For the Period from 1 January to 30 June 2019
Cash received from government grants related to assets	62,403	65,527
Cash received from government grants related to income	140,576	256,394
Relocation compensation received	240,000	148,271
Cash received from compensation income	2,524	18,920
Cash received from penalty income	9,944	1,253
Others	170,294	68,932
Total	625,741	559,297

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

69. Notes to cash flow statement (Continued)

(2) Cash paid related to other operating activities

	For the Period from 1 January to 30 June 2020	For the Period from 1 January to 30 June 2019
Cash paid for transportation and distribution expenses	536,527	581,237
Cash paid for rental, insurance and other selling and distribution expenses	115,294	137,980
Cash paid for technical development costs	267,169	318,771
Cash paid for warranty	61,184	112,946
Cash paid for sales operation fee	139,180	176,313
Cash paid for entertainment fee, travelling, office expenditure and other expenses	614,046	450,173
Total	1,733,400	1,777,420

(3) Cash received related to other investing activities

	For the Period from 1 January to 30 June 2020	For the Period from 1 January to 30 June 2019
Cash paid for purchasing subsidiary during 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 2020	For the Period from 1 January to 30 June 2019
Cash received for disposing subsidiary during the current period less than the amount of cash held by the subsidiary	23,273	-

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

69. Notes to cash flow statement (Continued)

(5) Cash received related to other financing activities

	For the Period from 1 January to 30 June 2020	For the Period from 1 January to 30 June 2019
Cash received from share option exercised by minority	116	5,818
Cash received from issuing asset support plan	393,000	–
Cash received from loan from minority shareholders	172,217	2,078,417
Total	565,333	2,084,235

(6) Cash paid related to other financing activities

	For the Period from 1 January to 30 June 2020	For the Period from 1 January to 30 June 2019
Cash paid for underwriting, registration and establishment fee	4,700	15,531
Cash paid to minority shareholders	117,580	–
Cash paid for lease liabilities	49,740	96,867
Others	38,954	–
Total	210,974	112,398

In January to June 2020, cash paid for lease related activities was RMB83,615,000. Except for cash paid for lease liability as above, the rest of cash paid out was operating activity related.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

70. Information to cash flow statement

(1) Supplementary information to cash flow statement

(a) Reconciliation from net profit to cash flows from operating activities:

	For the Period from 1 January to 30 June 2020	For the Period from 1 January to 30 June 2019
Net profit	242,218	1,102,220
Add: impairment provisions for assets	109,113	50,669
depreciation of fixed assets	1,230,363	904,155
amortisation of intangible assets	179,181	171,077
amortisation of long-term prepaid expenses	123,587	77,552
depreciation of right-of use assets	116,471	80,281
losses/(gains) on disposal of fixed assets, intangible assets and other long-term assets	102,983	49,510
losses/(gains) on changes in fair value	337,487	203,183
financial expense	680,571	503,113
investment (income)/losses	(118,283)	(89,208)
share-based payment expenses	6,581	28,681
(increase)/decrease in deferred income tax assets	(209,018)	29,707
increase in deferred income tax liabilities	228,489	(16,652)
(increase)/decrease in inventories	(1,221,382)	(5,383,396)
(increase)/decrease in operating receivables	(303,821)	2,433,418
(decrease)/increase in operating payables	738,371	(2,246,722)
Net cash flows from operating activities	2,242,911	(2,102,412)

(b) Net change of cash and cash equivalents:

	For the Period from 1 January to 30 June 2020	For the Period from 1 January to 30 June 2019
Cash and cash equivalents at the end of the year	10,535,347	5,366,704
Less: cash and cash equivalents at the beginning of the year	8,659,885	10,532,753
Net increase/(decrease) in cash and cash equivalents	1,875,462	(5,166,049)

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

70. Information to cash flow statement (Continued)

(2) Cash and cash equivalents

	30 June 2020	31 December 2019
I. Cash		
Including: Cash on hand	7,848	5,900
Cash at bank that can be readily drawn on demand	9,473,827	7,861,263
Other monetary fund that can be readily drawn on demand	922,792	139,269
II. Redemptory monetary capital for sale and withdrawal of funds by Finance Company	130,880	653,453
III. Cash and cash equivalents at the end of the period	10,535,347	8,659,885

Note: Aforesaid cash and cash equivalents excluded restricted cash.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

71. Monetary items denominated in foreign currency

	30 June 2020		
	Functional currency '000	Exchange Rate	In RMB '000
Monetary fund –			
EUR	62,686	7.9618	499,096
USD	925,808	7.0771	6,552,039
HKD	2,226,905	0.9134	2,034,055
GBP	7,304	8.7108	63,628
THB	406,607	0.2293	93,235
AUD	9,683	4.8662	47,119
JPY	141,489	0.0658	9,310
Others			123,460
			9,421,942
Accounts receivables –			
USD	1,100,745	7.0771	7,790,085
EUR	82,100	7.9618	653,664
GBP	17,594	8.7108	153,255
JPY	386,155	0.0658	25,409
HKD	37,047	0.9134	33,839
AUD	6,787	4.8662	33,025
THB	145,887	0.2293	33,452
Others			211,335
			8,934,064
Other receivables –			
USD	108,421	7.0771	767,307
EUR	8,107	7.9618	64,543
GBP	1,209	8.7108	10,531
HKD	17,360	0.9134	15,857
AUD	2,120	4.8662	10,316
THB	3,131	0.2293	718
Others			56,030
			925,302
Long term receivables –			
USD	1,540,939	7.0771	10,905,376
GBP	18,087	8.7108	157,555
HKD	208,138	0.9134	190,113
			11,253,044

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

71. Monetary items denominated in foreign currency (Continued)

	30 June 2020		
	Functional currency '000	Exchange Rate	In RMB '000
Short-term borrowings –			
USD	1,248,339	7.0771	8,834,620
EUR	80,839	7.9618	643,621
HKD	189,805	0.9134	173,368
GBP	41,099	8.7108	358,001
AUD	1,800	4.8662	8,758
Others			16,260
			10,034,628
Accounts payables –			
USD	215,660	7.0771	1,526,248
GBP	32,463	8.7108	282,782
EUR	52,101	7.9618	414,817
HKD	15,762	0.9134	14,397
AUD	8,654	4.8662	42,111
THB	70,789	0.2293	16,232
JPY	61,033	0.0658	4,016
Others			189,918
			2,490,521
Other payables –			
USD	81,771	7.0771	578,700
EUR	32,343	7.9618	257,512
GBP	4,224	8.7108	36,794
HKD	9,123	0.9134	8,333
AUD	3,108	4.8662	15,125
THB	22,961	0.2293	5,265
Others			143,759
			1,045,488
Long-term borrowings –			
USD	3,138,255	7.0771	22,209,747
			22,209,747
Long term payables –			
USD	16,303	7.0771	115,381
Others			470
			115,851
Lease liabilities –			
USD	185,309	7.0771	1,311,448
HKD	1,637	0.9134	1,495
AUD	9	4.8662	43
Others			2,871
			1,315,857

The above-mentioned monetary items denominated in foreign currency 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

There are no business combinations involving enterprises not under common control during this period.

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, invested or acquired through combination not under common control. There was no acquisition of subsidiaries through combination under common control.

As at 30 June 2020, the number of companies included in the scope of consolidation added up to approximately 790. Except for the important subsidiaries listed as below, the number of other subsidiaries held by the Group was 623. Other subsidiaries have relatively small scale of operation. Other subsidiaries also included those investment holding companies which have no operating activities and were 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 Eastern 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	USD9,060,000	-	60.35%
5	Dalian CIMC Logistics Equipment Co., Ltd. ("DLCIMC")	Business entity	Dalian Liaoning	Dalian Liaoning	Manufacture and sale of container as well as relevant technical advisory; container stockpiling business	RMB254,100,000	-	75.00%
6	Shenzhen Shangqi Real Estate Co., Ltd. ("SZ Shangqi")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Real estate development	RMB61,224,490	-	36.9%
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	USD36,000,000	-	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%
9	Yangzhou Runyang Logistics Equipments Co., Ltd. ("YZRYL")	Business entity	Yangzhou Jiangsu	Yangzhou Jiangsu	Manufacture, repair and sales of container	RMB143,880,000	-	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%

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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
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%	28.00%
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	USD11,760,000	-	60.35%
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 leasing and maintenance service	USD425,493,400	-	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	-	46.13%
16	Beijing CIMC JingXin XiangNeng Technology Co., Ltd. ("Beijing Jingxin 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 (Yangzhou) Co., Ltd. ("Lide Transmission")	Business entity	Wuxi Jiangsu	Wuxi Jiangsu	Sale of machinery equipment and gadget, metal and decorative materials	RMB9,140,000	-	75.00%

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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
18	Shenzhen Qianhai Ruiji Technology Co., Ltd ("Qianhai Ruiji")	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 ("Dongguan 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, provision of related services	RMB30,000,000	-	75.80%
21	CIMC Anfang Technology Co., Ltd ("CIMC Anfang")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Development, manufacture and sale of fire control related products	RMB100,000,000	-	65.02%
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 special-use vehicles as well as components and parts and provision of related professional services	RMB50,000,000	-	40.37%
24	Shenzhen CIMC Sharing Logistics Service Co., Ltd ("Sharing Logistics")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Logistics management services, cloud sharing services	RMB5,500,000	-	70.00%
25	Xinhui CIMC Composite Material Manufacture CO., LTD ("XHCM")	Business entity	Jiangmen Guangdong	Jiangmen Guangdong	Production, development, processing and sales of various composite plate products such as plastics, plastic alloy	RMB141,220,000	-	41.22%

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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
26	Guangzhou CIMC Container Service Co., Ltd ("Guangzhou Service")	Business entity	Guangzhou Guangdong	Guangzhou Guangdong	Maintenance and leasing of containers; repair of electrical equipments	RMB10,000,000	-	60.00%
27	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	USD210,000,000	75.00%	25.00%
28	NanTong CIMC Special Logistics Equipment Co. Ltd. ("NTSL")	Business entity	Nantong Jiangsu	Nantong Jiangsu	Manufacture and sale of container as well as relevant technical advisory	RMB5,000,000	-	60.35%
29	Tianjin Kangde Logistics Equipment Co., Ltd ("Kangde Logistics")	Business entity	Tianjin	Tianjin	Manufacture, sale, import, export, wholesale and retail of container related products	USD1,210,000	-	79.22%
30	Xinhui CIMC Wood Co., Ltd. ("XHCIMCW")	Business entity	Jiangmen Guangdong	Jiangmen Guangdong	Production and sales of container-purpose wood floor and relevant products; providing relevant technical advisory service	RMB128,310,000	-	100.00%
31	Jiaxing CIMC Wood Co., Ltd. ("JXW")	Business entity	Jiaxing Zhejiang	Jiaxing Zhejiang	Production and sales of container wood floors and transport equipments	USD5,000,000	-	81.85%
32	Liaoning Hashenleng Gas liquefaction equipment Co., Ltd ("Hashenleng")	Business entity	Tieling Liaoning	Tieling Liaoning	Production and sales of natural gas liquefaction equipment and CBM liquefaction equipment	RMB50,000,000	-	25.54%

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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
33	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%
34	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%
35	Shenzhen CIMC Auto parking System Co., Ltd ("CIMC Parking")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Autoparking system and equipment sales and technology services	RMB30,000,000	-	37.39%
36	CIMC Vehicles (Group) Co., Ltd. ("CIMC Vehicles")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Development, production and sales of various special vehicle and semi-trailer series	USD1,765,000,000	37.67%	16.15%
37	Qingdao CIMC Special Reefer Co., Ltd. ("QDCSR")	Business entity	Qingdao Shandong	Qingdao Shandong	Manufacture of refrigeration, incubators, aluminum containers and van semi-trailer machines and accessories	USD39,184,100	-	100.00%
38	Tianjin CIMC Logistics Equipments Co., Ltd. ("TJCMCLE")	Business entity	Tianjin	Tianjin	Design, manufacture, sale, maintenance and relevant technical advisory for logistics equipments and relevant components and parts	USD10,000,000	-	79.22%
39	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	RMB147,120,000	-	93.75%

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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
40	Chongqing CIMC Logistics Equipments Co., Ltd. ("CQLE")	Business entity	Chongqing	Chongqing	Design, manufacture, lease, maintenance of container, logistic equipment and relevant components and parts	USD8,000,000	75.00%	25.00%
41	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	USD65,140,000	74.13%	25.87%
42	Shenzhen CIMC Intelligent Technology Co., Ltd. ("CIMC Tech")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Design, development, sale, surrogate of intelligence electronic products software and system	RMB70,294,200	59.46%	8.54%
43	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%
44	Hunan CIMC New Material Industry Development ("Hunan Woods")	Business entity	Suining Hunan	Suining Hunan	Deep processing, management and sale of bamboo and wood product	RMB28,000,000	-	75.80%
45	CIMC Jidong (Qinhuangdao) Vehicles Manufacture Co., Ltd ("QHDM")	Business entity	Qinhuangdao Hebei	Qinhuangdao Hebei	Sale of car and car components and parts	RMB70,000,000	-	40.37%
46	Shenzhen Jihong Investment Co., Ltd ("Jihong Development")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Investment on industry and pioneering work, project consulting	RMB83,330,000	-	36.90%
47	Shenzhen CIMC Architectural Design Institute Co., Ltd. ("Shenzhen Design Institute")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Modular building project design and construction	RMB10,000,000	-	95.00%
48	Guangdong CIMC Building Construction Co. Ltd ("Guangdong CIMC Building Construction")	Business entity	Jiangmeng Guangdong	Jiangmeng Guangdong	Sales, rental and maintenance of the overall building module and its accessories	RMB50,000,000	-	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
49	Shanghai Zhifei Real Estate Co. LTD ("Shanghai Zhifei")	Business entity	Shanghai	Shanghai	Real Estate project development	RMB2,800,000,000	-	46.13%
50	CIMC Marine Engineering Academic Co., Ltd. ("MEA")	Business entity	Yantai Shandong	Yantai Shandong	Research and development of marine operation platform and other marine related business	RMB150,000,000	75.00%	25.00%
51	Shanghai Lifan Container Service Co., Ltd ("Shanghai Lifan")	Business entity	Shanghai	Shanghai	Maintenance and refitting of containers; providing containers information system management and advisory service	RMB1,000,000	-	56.00%
52	CIMC New Environmental Protection Material Co., Ltd ("CIMC Xincai")	Business entity	Dongguan Guangdong	Dongguan Guangdong	Development, production and sales of wood and bamboo products for various modern transportation equipment	RMB130,173,300	-	75.80%
53	Shenzhen CIMC Industry & City Development Co., Ltd. ("CIMC Industry & City")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Real estate development and operation	RMB339,512,100	-	61.50%
54	Yangzhou CIMC Hongyu Real Estate Co., Ltd. ("Yangzhou Hongyu")	Business entity	Yangzhou Jiangsu	Yangzhou Jiangsu	Real estate development, sales and leasing	RMB130,000,000	-	61.50%
55	Qianhai Jicheng Industrial Development (Shenzhen) Co. Ltd ("Qianhai Jicheng")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Real estate development, sales and leasing	RMB30,000,000	-	71.13%
56	Qingdao CIMC Innovation Industrial Park Development Co., Ltd ("Qingdao Industrial Park")	Business entity	Qingdao Shandong	Qingdao Shandong	Industrial park project development	RMB26,140,000	-	47.41%
57	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%	31.63%

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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
58	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%	-
59	Dongguan CIMC Innovation Industrial Park Development Co., Ltd ("Dongguan Industrial Park")	Business entity	Dongguan Guangdong	Dongguan Guangdong	Industrial park project development	RMB126,500,000	-	60.27%
60	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%	-
61	Shenzhen Sky Capital Co., Ltd ("SESKYC")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Equity investment, investment management and related investment business	RMB200,000,000	95.00%	5.00%
62	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	-	85.00%
63	CIMC Container Holding Co., Ltd. ("Container Holding")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Equity investment and management and related investment business	RMB5,292,830,000	100.00%	-
64	CIMC Modular Building Investment Co., Ltd ("Modular Investment")	Business entity	Jiangmen Guangdong	Jiangmen Guangdong	Equity investment, investment management and real estate investment	RMB450,000,000	-	100.00%
65	CIMC Modular Building Design & Development Co. Ltd. ("Modular design")	Business entity	Jiangmen Guangdong	Jiangmen Guangdong	Design of modular building and decorations	RMB50,000,000	-	73.05%
66	Qianhai CIMC leasing (Shenzhen) Co., Ltd ("Qianhai Rental")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Finance leases business, lease transaction advisory and guarantee	RMB1,000,000,000	-	86.82%
67	Yantai Tiezhongbao Steel Processing Co., Ltd ("Yantai Tiezhongbao")	Business entity	Yantai Shandong	Yantai Shandong	R&D, processing of leg structure; sales of self-produced products	USD9,150,200	-	65.00%

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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
68	Anhui United Feicai Vehicle Co., Ltd. ("United Feicai")	Business entity	Xuancheng Anhui	Xuancheng Anhui	Production and sales of various special-use vehicles and sales of engineering machinery	RMB158,000,000	-	70.06%
69	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 and semi-trailer series	RMB300,000,000	-	53.82%
70	CIMC Modern Logistic Development Co., Ltd. ("Modern Logistic")	Business entity	Tianjin	Tianjin	International and domestic freight transport agents, general and CIQ affairs	RMB1,088,190,000	80.00%	-
71	Shenzhen Three HuaZhuoYue Investment Co., LTD ("Shenzhen Three HuaZhuo Yue")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Investment holding	RMB30,000,000	-	70.06%
72	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%
73	Shenzhen CIMC Tongchuang Supply Chain Co., Ltd. ("Shenzhen CIMC Tongchuang Supply Chain")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Investment holding	RMB200,000,000	-	74.40%
74	CIMC Capital Holdings Co. Ltd. ("CIMC Capital")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Investment management	RMB100,000,000	100.00%	-
75	Shenzhen CIMC Special car Co., Ltd. ("CIMCSV")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Development, production and sales of various transportation vehicles, as well as relevant components and parts	RMB4,500,000,000	-	53.82%
76	CIMC Kaitong Logistics Development Co. Ltd. ("CIMC Kaitong Logistics Development")	Business entity	Nanjing Jiangsu	Nanjing Jiangsu	Logistics service	RMB150,000,000	-	40.80%

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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	Jiangsu Kaitong Shipping Co. Ltd. ("Jiangsu Kaitong")	Business entity	Nanjing Jiangsu	Nanjing Jiangsu	Logistics service	RMB20,000,000	-	40.80%
78	CIMC Offshore Holdings Co., Ltd ("CIMC Offshore Holdings")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Investment holding	RMB2,335,000,000	100.00%	-
79	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	-	48.00%
80	Shenzhen Leyi Real Estate Co., Ltd. ("Leyi Real Estate")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Real estate project development	RMB61,220,000	-	36.27%
81	CIMC Kaitong Jiangsu International Multimodal Transport Co., Ltd ("Kaitong International Multimodal Transport")	Business entity	Nanjing Jiangsu	Nanjing Jiangsu	Logistics service	RMB20,000,000	-	26.52%
82	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	RMB100,000,000	-	56.85%
83	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	-	81.82%
84	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	-	97.40%

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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
85	Qianhai Jiyun Industrial Development (Shenzhen) Co., Ltd ("Qianhai Jiyun")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Investment information consulting, operation management of industrial garden project	RMB30,000,000	-	100.00%
86	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%
87	Shenzhen Jixing Development Co., Ltd ("Jixing Development")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Investment on industry and pioneering work, project consulting	RMB50,000,000	-	71.13%
88	Shenzhen Jiyou Development Co., Ltd ("Jiyou Development")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Investment on industry and pioneering work, project consulting	RMB50,000,000	-	52.68%
89	Shenzhen Jida Development Co., Ltd ("Jida Development")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Investment on industry and pioneering work, project consulting	RMB50,000,000	-	71.13%
90	Shenzhen Jiyuan Investment Co., Ltd ("Jiyuan Investment")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Real estate project investment	RMB83,330,000	-	36.90%
91	Shenzhen CIMC Offshore Investment Co., Ltd. ("Offshore Investment")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Investment and operation of marine project	RMB1,900,000,000	-	100.00%
92	Yangzhou Jichuang Industrial Park Development Co., Ltd. ("Jichuang Industrial Park")	Business entity	Yangzhou Jiangsu	Yangzhou Jiangsu	Industrial park development and operation	RMB20,000,000	-	61.50%
93	CIMC Yiketong Parts Co., Ltd. ("Yiketong")	Business entity	Shanghai	Shanghai	Trading of containers parts	RMB100,000,000	-	90.00%

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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
94	CIMC Multimodal Transport Co., Ltd. ("CIMC Multimodal")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Domestic logistic agency, supply chain management and international freight agency	RMB24,000,000	-	80.00%
95	CIMC Unit Load Co., Ltd. ("CIMC Unit Load")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Logistic equipment and spare part rental maintenance	RMB805,570,000	100.00%	-
96	CIMC Management Training (Shenzhen) Co. Ltd ("CIMC Management")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Training management	RMB50,000,000	100.00%	-
97	CIMC Group Cold Chain Investment Co., Ltd ("CIMC Group Cold Chain")	Business entity	Qingdao Shandong	Qingdao Shandong	Investment management	RMB944,400,000	-	100.00%
98	CIMC Technology Co., Ltd. ("CIMC Technology")	Business entity	Dongguan Guangdong	Dongguan Guangdong	Investment in industry and equity investment	RMB1,130,300,000	100.00%	-
99	CIMC Jixin logistics development Co. LTD ("CIMC Jixin")	Business entity	Shanghai	Shanghai	Logistic service	RMB100,000,000	-	80.00%

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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

	Name	Category	Registration place	Main premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
100	CIMC Holdings (B.V.I.) Limited ("CIMC BVI")	Business entity	British Virgin Islands	British Virgin Islands	Investment holding	USD50,000	-	100.00%
101	CIMC Tank Equipment Investment Holdings Co., Ltd. ("Tank Equipment Investment")	Business entity	Hong Kong China	Hong Kong China	Investment holding	HKD4,680,000	-	100.00%
102	Mangrove Capital Limited ("Mangrove Capital")	Business entity	Hong Kong China	Hong Kong China	Financial services	HKD2,000,000	-	55.00%
103	HARVEST AVENUE PTY LTD ("HARVEST")	Business entity	Australia	Australia	Investment holding	AUD1	-	100.00%
104	CIMC Intermodal Equipment ("CIE")	Business entity	USA	USA	Equipment services	USD10,000,000	-	53.82%
105	Charm Wise Limited ("Charm Wise")	Business entity	Hong Kong China	Hong Kong China	Investment holding	USD50,000	-	100.00%
106	CIMC Air Marrel SAS ("Air Marrel")	Business entity	France	France	Aviation equipment	EUR1,200,000	-	49.76%
107	CIMC Logistics Service (Thailand) Co., LTD ("Thailand Service")	Business entity	Thailand	Thailand	Logistic services	THB60,000,000	-	80.00%
108	China International Marine Containers (Hong Kong) Limited ("CIMC Hong Kong")	Business entity	Hong Kong China	Hong Kong China	Investment holding	HKD2,000,000	100.00%	
109	Global Pacific Link Limited ("Global Pacific")	Business entity	Hong Kong China	Hong Kong China	Logistic services	HKD10,000	-	80.00%
110	CIMC Intermodal Development USA Co ("CIDC USA")	Business entity	USA	USA	Logistic services	USD5,000	-	80.00%
111	Sharp Vision Holdings Limited ("Sharp Vision")	Business entity	Hong Kong China	Hong Kong China	Investment holding	HKD1	-	100.00%
112	GLOBAL PLUS PTY LTD ("GLOBAL")	Business entity	Australia	Australia	Investment holding	AUD1	-	100.00%
113	Verbus International Limited ("Verbus")	Business entity	UK	UK	Holding company	GBP1,108	-	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
114	EVERISE CAPITAL PTY LTD ("EVERISE")	Business entity	Australia	Australia	Investment holding	AUD10	-	100.00%
115	CIMC Modula Building Systems (Australia) Pty Ltd ("MBS AU")	Business entity	Australia	Australia	Modular supply	AUD500,000	-	100.00%
116	Allpro Investment Limited ("Allpro")	Business entity	Hong Kong China	Hong Kong China	Project company	HKD1	-	100.00%
117	CIMC Financial Leasing (HK) Co Ltd. ("Financial Leasing (HK) ")	Business entity	Hong Kong China	Hong Kong China	Financial leasing	USD500,000	-	100.00%
118	CIMC Offshore Holdings Limited ("CIMC Offshore")	Business entity	Hong Kong China	Hong Kong China	Investment holding	HKD2,234,855,000 & USD50,510,000	-	85.00%
119	Integrated Modular Solutions Limited ("Integrated Modular")	Business entity	UK	UK	Investment holding	GBP100	-	100.00%
120	Sharp Finder Limited ("Sharp Finder")	Business entity	Hong Kong China	Hong Kong China	Project company	USD1	-	98.00%
121	Hong Kong CIMC Tianda Airport Support Ltd. ("TAS Hong Kong")	Business entity	Hong Kong China	Hong Kong China	Investment holding	HKD1,000,000	-	49.85%
122	CIMC FORTUNE HOLDINGS LIMITED ("Fortune")	Business entity	Hong Kong China	Hong Kong China	Finance service	USD10,000,000	100.00%	-
123	CIMC Westhill Limited ("CIMC Westhill")	Business entity	Hong Kong China	Hong Kong China	Project company	USD1	-	100.00%
124	Sharp Manner Limited ("Sharp Manner")	Business entity	Hong Kong China	Hong Kong China	Project company	USD1	-	100.00%
125	Sharp Noble Limited ("Sharp Noble")	Business entity	Hong Kong China	Hong Kong China	Project company	USD1	-	100.00%
126	CIMC MBS Hong Kong Limited ("MBS (HK)")	Business entity	Hong Kong China	Hong Kong China	Project investment	HKD50,000	-	100.00%

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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 under non-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; processing of machining; operation of import and export business	RMB122,750,000	-	38.47%
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	RMB209,790,000	-	38.89%
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	-	37.73%
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	USD86,850,000	-	100.00%
6	Tianjin CIMC North Ocean Container Co., Ltd. ("TJCMC")	Business entity	Tianjin	Tianjin	Manufacture and sales of container, vehicles and ships and after-sales service of containers	USD15,470,000	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 technical advisory	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 under non-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	-	46.83%
9	Dongguan Zhengyi Investment Co., Ltd ("Dongguan Zhengyi")	Business entity	Dongguan Guangdong	Dongguan Guangdong	Investment, development and operation of real estate	RMB68,030,000	-	43.05%
10	Qingdao Lida Chemical Co., Ltd. ("Qingdao Lida Chemical")	Business entity	Shandong	Shandong	Manufacture and sale of sealant products; processing 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 rubber and plastic parts, and metal and 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	USD4,500,000	-	56.00%
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	RMB236,920,000	-	75.00%

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(3) Subsidiaries acquired through combinations under non-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	Tianjin Binhai New Area Hongxin Berg Financial Leasing Co., Ltd ("Tianjin Hongxin Berg")	Business entity	Tianjin	Tianjin	Finance service	RMB300,000,000	-	51.00%
16	Zhenhua Logistics Group Co., Ltd. ("Zhenhua Group")	Business entity	Tianjin	Tianjin	Container and cargo distribution, freight and repair in Tianjin port	USD51,950,000	-	60.00%
17	Xiamen Hongxin Berg Leasing Co. Ltd. ("Hongxin Berg")	Business entity	Xiamen Fujian	Xiamen Fujian	Financial leasing and operating 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	-	60.00%
19	Brigantine Services (Shenzhen) Co., Ltd. ("Shenzhen Brigantine")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Providing a container and ship repair services and related technical consulting service	HKD7,500,000	-	56.00%
20	Brigantine Services (Shanghai) Co., Ltd. ("Shanghai Brigantine")	Business entity	Shanghai	Shanghai	Container, ship and its parts, mechanical repair, maintenance services	USD510,000	-	56.00%
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%
23	Yantai CIMC Raffles offshore Ltd. ("CIMC Raffles")	Business entity	Yantai Shandong	Yantai Shandong	Construction of dock; design, production of ship; production and sales of pressure container and offshore petroleum engineering facilities	RMB2,291,190,000	-	83.20%

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(3) Subsidiaries acquired through combinations under non-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
24	Yantai CIMC Raffles Ship Co., Ltd ("YCRS")	Business entity	Yantai Shandong	Yantai Shandong	Design, building and repair of various ships and their supporting outfitting, production and sales of various pressure containers, offshore petroleum engineering facilities, pipelines and various steel structures and concrete products	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	-	85.03%
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, semi-trailer series	RMB434,300,000	-	53.82%
29	Foshan Shunde Hongju Technology Industry Development Co., Ltd ("Foshan Shunde")	Business entity	Foshan Guangdong	Foshan Guangdong	Industrial park project development and operation	RMB20,000,000	-	30.14%
30	Suzhou CIMC Liangcai Logistics Technology Co. Ltd. ("CIMC Liangcai")	Business entity	Suzhou Jiangsu	Suzhou Jiangsu	Development, production, sales, and leasing of logistics packaging products, handing equipment	RMB53,690,000	-	58.00%

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(3) Subsidiaries acquired through combinations under non-common control (Continued)

(ii) Overseas subsidiaries

	Name	Category	Registration place	Main premises	Business scope	Share capital issued and information of bonds	Shareholding percentage	
							Direct	Indirect
31	Brigantine International Holdings Limited ("Brigantine International Holdings")	Business entity	Hong Kong	Hong Kong	Investment holding	HKD10,000,000	-	56.00%
32	Brigantine Services Limited ("Hong Kong Brigantine Services")	Business entity	Hong Kong	Hong Kong	Container repair and renovation, container trade	HKD5,000,000	-	56.00%
33	Albert Ziegler GmbH ("Ziegler")	Business entity	Germany	Germany	Marine engineering design	EUR13,543,000	-	50.10%
34	Bassoe Technology AB ("Bassoe")	Business entity	Sweden	Sweden	Design of Marine engineering	SEK1,000,000	-	100.00%
35	CIMC-TianDa Holdings Company Limited ("CIMC-TianDa Holdings Hong Kong")	Business entity	Cayman Island	Cayman Island	Investment holdings	HKD159,400,000	-	50.06%
36	CIMC Enric Holdings Limited ("Enric")	Business entity	Cayman Islands	Cayman Islands	Investment holding	HKD120,000,000	-	68.20%
37	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	SGD594,410,000 & USD453,930,000	-	85.00%
38	Pteris Global Ltd ("Pteris")	Business entity	Singapore	Singapore	Investment holding	SGD104,780,000	-	49.76%
39	CIMC VEHICLES UK LIMITED ("Vehicles UK")	Business entity	UK	UK	Transport equipment	GBP100	-	53.82%
40	CIMC TGE GAS INVESTMENT SA ("TGE SA")	Business entity	Luxembourg	Luxembourg	Investment holding	EUR50,000	-	60.00%
41	Hong Kong Hongji Containers Development Co. Ltd. ("Hongji Hong Kong")	Business entity	Hong Kong	Hong Kong	Financial services	HKD8,380,000	-	51.00%

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(4) Significant partial disposal of subsidiary equity in the period (not losing control)

There is no significant partial disposal of subsidiary equity in the period (not losing control).

(5) Significant transactions with minority shareholder in the period

There are no significant transactions with minority shareholder in the period.

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 -						
Y&C Engine	Wuhu Anhui	Wuhu Anhui	Manufacture and sales of heavy-duty engines and components and parts	Yes	-	50.00%
Associates -						
Yangzhou Jizhi	Yangzhou	Yangzhou	Real estate	Yes	-	60.00%
Shangtai Real Estate	Jiangsu	Jiangsu	Real estate	Yes	-	49.00%
Shangrong Real Estate	Shenzhen	Shenzhen	Real estate	Yes	-	49.00%
	Guangdong	Guangdong				
Shanghai Fengyang	Shenzhen	Shenzhen	Real estate	Yes	-	40.00%
	Guangdong	Guangdong				
Zhoushan Changhong	Shanghai	Shanghai	Real estate	Yes	-	40.00%
	Zhoushan	Zhoushan	Maintenance of ship	No	-	24.91%
	Zhejiang	Zhejiang				

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 from the period of 1 Jan to the period of 30 June in 2020.

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.

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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 joint ventures and associates have been disclosed in Note VI, the rest of joint ventures and associates which conducted related party transactions with the Group 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
Joint ventures -						
NKY Zhenhua	Tianjin	Tianjin	Logistic services	No	-	50.00%
Associates -						
Zhoushan Changhong	Zhoushan	Zhoushan	Ship industry	No	-	24.91%
Xuzhou CIMC Wood	Xuzhou	Xuzhou	Wood industry	No	-	35.00%
Runyu Real Estate	Zhenjiang	Zhenjiang	Real Estate	No	-	12.30%
Qingchen bamboo industry	Fujian	Fujian	Bamboo industry	No	-	30.00%
Ningguo Guangshen	Anhui	Anhui	Bamboo industry	No	-	30.00%
Jiangsu Wanjiang	Zhenjiang	Zhenjiang	Vehicle industry	No	-	23.14%
Qingdao Ganglianhua	Qingdao	Qingdao	Logistic services	No	-	40.00%
Xiamen CIMC Haitou	Xiamen	Xiamen	Logistic services	No	-	45.00%
Zhejiang Xinlong	Zhejiang	Zhejiang	Bamboo industry	No	-	30.00%

4. Information of other related parties

Company Name

Shaanxi Heavy Duty Truck Co. LTD	Minority shareholder of subsidiary
Asahi Trading Co., Ltd	Minority shareholder of subsidiary
SUMITOMO CORPORATION	Minority shareholder of subsidiary
Wide Shine Development	Subsidiary of significant shareholder
Huanyu Dongfang International	Subsidiary of significant shareholder
Orient International Container (Lianyungang) Co., Ltd	Subsidiary of significant shareholder
ORIENT OVERSEAS CONTAINER LINE LTD	Subsidiary of significant shareholder
Youjia Intelligent Vehicle Management (Shenzhen) Co., LTD	Minority shareholder of subsidiary
Tianjin Changlu Haijing Group Co. LTD	Minority shareholder of subsidiary
Shenzhen Weixin	Minority shareholder of subsidiary
CMSK	Subsidiary of significant shareholder

Note: Significant shareholders represent shareholders holding more than 5% (inclusive) of the Company's shares.

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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 and in compliance with approval and reporting procedures for normal non-related party transactions.

(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 2020 Amount	For the Period from 1 January to 30 June In 2019 Amount
Y&C Engine	Purchase of goods	287,123	164,553
Shaanxi Heavy Duty Automobile	Purchase of goods	93,026	172,588
Qingchen Bamboo	Purchase of goods	46,393	42,252
Asahi Trading Co., Ltd	Purchase of goods	28,129	100
Zhejiang Xinlong Bamboo	Purchase of goods	10,141	19,837
Ningguo Guangshen	Purchase of goods	10,003	20,139
Jiangsu Wanjing	Purchase of goods	8,443	–
Xuzhou CIMC Wood	Purchase of goods	5,524	11,954
SUMITOMO CORPORATION	Purchase of goods	4,999	–
Other related parties	Purchase of goods	446	29,707
Sub-total		494,227	461,130
Other related parties	Receiving of services	17,481	13,265

The Company

Emoluments of the directors, supervisor and senior management of the Company refer to VIII.5(5).

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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 2020 Amount	For the Period from 1 January to 30 June In 2019 Amount
Shaanxi Heavy Duty Automobile	Sale of goods	396,631	490,222
Zhoushan Changhong	Sale of goods	76,602	–
SUMITOMO CORPORATION	Sale of goods	63,917	8,397
Wide Shine Development	Sale of goods	21,390	–
Jiangsu Wanjing	Sale of goods	15,014	–
Huanyu Dongfang International	Sale of goods	18,926	–
Orient International (Lianyungang)	Sale of goods	6,527	16,592
Y&C Engine	Sale of goods	6,360	4,878
Xiamen CIMC Haitou Container Service Co., Ltd.	Sale of goods	1,231	2,767
ORIENT OVERSEAS CONTAINER LINE LTD	Sale of goods	–	43,703
Other related parties	Sale of goods	1,464	47,439
Sub-total		608,062	613,998
Other related parties	Rendering of services	27,016	79,101

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued))

(3) Leasing

Lessee	Nature of lease assets	Leasing revenue recognized for period from 1 January to 30 June in 2020	Leasing revenue recognized for period from 1 January to 30 June in 2019
NKY Zhenhua	Vehicle	543	–
Youjia Intelligent Vehicle Management	Vehicle	209	–
Qingdao Ganglianhua	Container Yard	3,658	3,897
Total		4,410	3,897

The Group's increased right-of-use assets as lessee in the current period:

Lessor	Nature of lease assets	For period from 1 January to 30 June in 2020	For period from 1 January to 30 June in 2019
Ningguo Guangshen	Machinery	310	–
Tianjin Changlu Haijing	Land	45,057	–
Total		45,367	–

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(4) Financing

The Group

Name	Amount	Starting date	Ending date	Interest income earned/interest expense recognized for the period from 1 January to 30 June	
				In 2020	Note
Financing received					
Shangtai Property	1,669,430	20 December 2019	Repayment date not fixed	–	Loans for shareholder operation
Shangrong Property	1,519,000	20 December 2019	Repayment date not fixed	–	Loans for shareholder operation
Shenzhen Weixin	954,500	26 March 2019	Repayment date not fixed	19,740	Loans for Proportionate shareholder operation
Country Garden and its subsidiaries	761,478	29 January 2016	Repayment date not fixed	22,881	Loans for Proportionate shareholder operation
		24 August 2018	Repayment date not fixed		Loans for Proportionate shareholder operation
	<u>4,904,408</u>				
Financing provided					
Country Garden and its subsidiaries	3,052,087	30 September 2016	Repayment date not fixed	21,193	Loans for shareholder operation
		31 May 2018	Repayment date not fixed		Loans for Proportionate shareholder operation
		10 August 2018	Repayment date not fixed		Loans for shareholder operation
		2 August 2019	Repayment date not fixed		Loans for shareholder operation
CMSK	1,431,908	30 November 2019	Repayment date not fixed	–	Loans for shareholder operation
		23 December 2019	Repayment date not fixed		Loans for shareholder operation
		1 September 2019	Repayment date not fixed		Loans for shareholder operation
Yangzhou Jizhi	410,356	1 September 2019	Repayment date not fixed	15,793	Loans for shareholder operation
Runyu Real Estate	164,916	31 December 2012	Repayment date not fixed	6,407	Loans for Proportionate shareholder operation
Shanghai Fengyang	34,204	25 December 2007	Repayment date not fixed	–	Loans for Proportionate shareholder operation
Nantong Xinyang	9,954	12 August 2019	Repayment date not fixed	–	Loans for shareholder operation
	<u>5,103,425</u>				

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(5) 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 2020 are as follows:

Name	Position	Number of granted share options (in '0000)
Mai Boliang	President, Chairman	342
Gao Xiang	Executive Vice Chairman	45
Li Yinhui	Vice Chairman	90
Yu Yuqun	Vice Chairman, Secretary of the Board and Company Secretary	90
Zeng Han	Chief Financial Officer	34.65
Total		601.65

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 2020 are as follows:

Name	Position	Number of granted share options (in '0000)
Gao Xiang	Vice Chairman	90
Yu Yuqun	Vice Chairman, Secretary of the Board and Company Secretary	60
Total		150

For detailed information for fair value of the granted share options aforesaid, please refer to Note IX.

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(5) Other related party transactions (Continued)

(ii) *Emoluments of the directors, supervisor and senior management of the Company*

Directors' and key management personnel's emoluments for the period from 1 January to 30 June 2020 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	-	-	-	-	-	-
Liu Chong	-	-	-	-	-	-
Mai Boliang	-	1,590	16	-	223	1,829
Hu Xianfu	-	-	-	-	-	-
Ming Dong	-	-	-	-	-	-
He Jiale	120	-	-	-	-	120
Pan Zhengqi	120	-	-	-	-	120
Lv Fengmeiyi	120	-	-	-	-	120
Sub-total	360	1,590	16	-	223	2,189
Supervisors						
Lin Feng	-	-	-	-	-	-
Lou Dongyang	-	-	-	-	-	-
Xiong Bo	-	111	-	-	-	111
Sub-total	-	111	-	-	-	111
Other Senior Executives						
Gao Xiang	-	929	49	-	15	993
Li Yinhui	-	508	47	-	15	569
Huang Tianhua	-	710	49	-	15	774
Yu yuqun	-	738	17	-	15	770
Zeng Han	-	602	38	-	15	656
Sub-total	-	3,487	200	-	75	3,762
Total	360	5,188	216	-	298	6,062

During the period, the top 5 of the emoluments have been reflected above.

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(5) 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 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	-	-	-	-	-	-
Liu Chong	-	-	-	-	-	-
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	-	-	-	-	-	-
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 27 March 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 3 June 2019, with the approval of the first meeting of the ninth board of directors in 2019, Mr. Mingdong, Mr. He 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 27 March 2019, with the approval of the third meeting of the eighth board of directors in 2019, Mr. Pan Chengwei and Mr. Wang Guixun 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 27 March 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 27 March 2019, approved by the third meeting of the eighth board of directors in 2019, Mr. Wu Fapei ceased to be Vice President of the Company due to his age since 28 March 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 28 March 2019.

Notes to the Financial Statements

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(5) Other related party transactions (Continued)

(ii) *Emoluments of the directors, supervisor and senior management of the Company (Continued)*

The five individuals who received the highest are included aforesaid for the period from 31 January to 30 June 2020.

Other benefits mainly consist of housing funds, pensions, medical insurance, etc.

(iii) *Termination benefits for directors*

For the period from 31 January to 30 June 2020, there was no compensation for directors with terminated appointment from the Company and the subsidiaries. (For the period from 31 January to 30 June 2019: Nil).

(iv) *Consideration paid to third parties for service of directors*

For the period from 31 January to 30 June 2020, there was no consideration paid to third parties for service of directors (For the period from 31 January to 30 June 2019: Nil).

(v) *Loans, quasi-loans offered and other transactions with directors, legal entities controlled by directors and their related persons*

For the period from 31 January to 30 June 2020, there were no loans, quasi-loans and guarantees offered to directors, legal entities controlled by directors and their related persons (For the period from 31 January to 30 June 2019: 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 31 January to 30 June 2019: Nil).

6. Receivables due from and payables due to related parties

Refer to Note IV.5 for details of accounts receivables.

Refer to Note IV.7 for details of other receivables.

Refer to Note IV.8 for details of advances to suppliers.

Refer to Note IV.12 for details of current portion of non-current assets.

Refer to Note IV.17 for details of long-term receivables.

Refer to Note IV.32 for details of accounts payables.

Refer to Note IV.34 for details of contract liabilities.

Refer to Note IV.37 for details of other payables.

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

7. Commitments in relation to related parties

As at 30 June 2020, 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.

IX. SHARE-BASED PAYMENTS

1. Information about share-based payments

Total equity instruments granted during the year	Nil.
Total equity instruments exercised during the year	The number of exercised share options granted by the Company and Enric were 1,571,000 and 52,000 respectively this year.
Total equity instruments forfeited during the year	The Company has no ineffective or obsolete equity instruments and the number of share options ineffective/obsolete in Enric was 340,000 this year.
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, 1.23 and 3.83 years respectively. Equity-settled share options granted by the Company in 2010 and 2011: RMB7.94 (after adjustment) and RMB12.55 (after adjustment) per share respectively, the residual life of contracts is both 0.14 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 2020	For the Period from 1 January to 30 June in 2019
Equity-settled share-based payment	6,581	28,681

Notes to the Financial Statements

For the period started from 1 January and ended 30 June 2020

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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

(a) Share option

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 two years from the date of grant and, 70% exercisable after three years from the date of grant, and then 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 38,200,000, 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 III, 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 2020 '000	For the Period from 1 January to 30 June 2019 '000
Beginning balance	50,456	66,550
Exercised in current period	(52)	(1,912)
Cancelled in current period	-	-
Forfeited in current period	(340)	-
Ending balance	50,064	64,638

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IX. SHARE-BASED PAYMENTS (CONTINUED)

2. Information on equity-settled share-based payment (Continued)

(1) Information on equity-settled share-based payment of Enric (Continued)

(b) 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 were 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.

Outstanding as at 31 December 2019	32,453,750
Granted during the year	–
Recovered during the year	(13,357,050)
Outstanding as at 30 June 2020	19,096,700

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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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 condition 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 RMB7.94 per share.

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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)

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 RMB12.55 based on the annual dividend payment plan implemented after the grant period.

Movement of share options of the Company:

	For the Period from 1 January to 30 June 2020 '000	For the Period from 1 January to 30 June 2019 '000
Beginning balance	20,063	18,817
Exercised in current period	(1,571)	(453)
Impact of dividend distribution in 2018 (i)	-	3,763
Ending balance	18,492	22,127

(i) On 28 June 2019, the implementation of the company's 2018 equity distribution was completed, and additional 2 shares were issued to all shareholder for every 10 shares being held by way of conversation 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 year and last year.

As at 30 June 2020, accumulated amount recognized in capital reserve for equity-settled share-based payments	422,121
Total expenses recognised for equity-settled share-based payments for current period	
Including :	
– attributed to The Company	-
– attributed to Enric	6,581
	6,581

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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 2020, the amount guaranteed by Raffles was about RMB60,979,000 (31 December 2019: RMB118,750,000).

CIMC Vehicle, a subsidiary of the Group, signed contracts with Huishang Bank, China Guangfa Bank and Industrial Bank, which was granted to the distributors and customers of CIMC Vehicles and its subsidiaries arising from purchase of vehicle products. As at 30 June 2020, the aggregate amount of credit facilities in respect of which CIMC Vehicles and its subsidiaries provided guarantees to the distributors and customers was RMB1,243,828,000 (31 December 2019: RMB1,161,439,000).

The Group's subsidiaries, Shenyang CIMC Industrial Park Investment Development Co., Ltd. ("Shenyang Vehicle Industrial Park") and Shaanxi CIMC Vehicles Industrial Park Investment Development Co., Ltd., ("Shaanxi Vehicle Industrial Park") 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 2020, the customer financing loans provided by the Shenyang Vehicle Industrial Park and Shaanxi Vehicle Industrial Park were approximately RMB18,818,000 (31 December 2018: RMB18,953,000).

The Group's subsidiary, CIMC Industry & City 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 RMB2,305,132,000 as at 30 June 2020 (31 December 2019: RMB1,738,861,000).

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 2020, the aggregate amount of credit facilities in respect of which C&C Trucks and its subsidiaries provided guarantees to the distributors and customers was RMB984,357,000 (31 December 2019: RMB869,185,000).

Ningxia Changming Natural Gas Development Co., LTD. ("Ningxia Changming"), a holding subsidiary of subsidiary Enric, and external Banks provided liquidity loan guarantees to Ningxia Yuanshan New Energy Group Co. LTD (寧夏遠杉新能源集團有限公司), a minority shareholder of Ningxia Changming. As at 30 June 2020, the total amount is RMB20,000,000 (31 December 2019: Nil).

2. Notes payables issued but not accounted for, outstanding letter of credit issued but undue and outstanding performance guarantees

The Group does not recognize notes payables or letter of credit issued as deposits. Corresponding inventories, advances to suppliers and notes payables are recognized at the earlier of the date of delivery of goods and the maturity date of the notes issued. As at 30 June 2020, the Group had no notes issued but not accounted and issued outstanding letters of credit RMB286,779,000 (31 December 2019: RMB187,630,000).

As at 30 June 2020, the Company had outstanding balance of guarantees for its subsidiaries RMB575,965,000, USD208,689,000 (equivalent to RMB1,476,913,000), EUR23,660,000 (equivalent to RMB188,378,000), GBP5,670,000 (equivalent to RMB49,390,000) and PLN76,895,000 (equivalent to RMB137,460,000) respectively, totaling RMB2,428,106,000 (31 December 2019: RMB3,151,112,000).

As at 30 June 2020, the amount of the unexpired letter of guarantee of the Group's subsidiary issued by the bank was RMB1,993,877,000, of which the balance of the performance guarantee was RMB1,193,819,000. The balance of the quality guarantee was RMB43,884,000, and the balance of payment guarantee was RMB709,485,000, and the balance of others was RMB46,689,000 (31 December 2019: RMB1,340,667,000).

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X. CONTINGENCIES (CONTINUED)

3. Significant pending litigations

CIMC Enric Investment Holdings (Shenzhen) Ltd.* (中集安瑞科投資控股(深圳)有限公司) (“Enric Shenzhen”, an indirect wholly-owned subsidiary of CIMC Enric, a subsidiary of the Group, received certain litigation documents served by the Jiangsu Province High People’s Court*(江蘇省高級人民法院), including a notice of response to action ((2018) Su Min Chu No.37*(2018)蘇民初37號)) and a writ of summons in December 2018, pursuant to which, the plaintiff SOEG sued the defendant Enric Shenzhen, and petitioned the court to: 1) order Enric Shenzhen to pay SOEG the remaining balance of the equity transfer of RMB153,456,000; 2) order Enric Shenzhen to bear the attorney fee loss of RMB50,000 incurred by SOEG; 3) order Enric Shenzhen to bear the costs of this case. The litigation entered the trial stage in September 2019, and the Nantong Intermediate Court has recently made the first-instance judgment: 1) the claim made by the plaintiff SOEG has been dismissed; 2) the case acceptance fee of RMB809,330 shall be borne by the plaintiff SOEG; 3) if the judgment is not accepted, the plaintiff SOEG and the defendant Enric Shenzhen may submit an appeal to the Nantong Intermediate Court within 30 days and 15 days, respectively, from the date on which the judgment is served, and may provide the copies of the appeal in the same number as that of the parties involved. The appeal (if any) will proceed at the Jiangsu Province High People’s Court, and the case acceptance fee for the appeal shall be prepaid to the Jiangsu Province High People’s Court according to the “Measures for Payment of Litigation Costs”*(《訴訟費用交納辦法》). In August 2020, Enric Shenzhen has received the SOEG petition served by the Nantong Intermediate People’s Court of Jiangsu Province*(江蘇省南通市中級人民法院), and the case will then be transferred to the Jiangsu Province High People’s Court for second instance.

XI. COMMITMENTS

1. Significant commitments

(1) Capital commitments

	For the Period from 1 January to 30 June 2020	2019
Fixed assets purchase contracts entered into but not performed or performed partially	163,107	74,821
Vessels manufactured for sales or lease	–	265,320
Total	163,107	340,141

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XII. EVENTS AFTER THE BALANCE SHEET DATE

- On 22 July 2020, the Company and Xiang Shan Hua Jin Industrial Investment Partnership (Limited Partnership) (象山華金實業投資合夥企業(有限合夥)) (hereafter referred to as "Xiang Shan Hua Jin") entered into an equity transfer agreement with Shanghai Tai Fu Xiang Zhong Equity Investment Fund Partnership (Limited Partnership) (hereafter referred to as "Tai Fu Xiang Zhong"). On the same date, the Company and Xiang Shan Hua Jin entered into the share confirmation with respect to the transfer of target shares. Pursuant to the equity transfer agreement and the share confirmation, the Company decided to purchase from Tai Fu Xiang Zhong 63,493,475 shares held in CIMC Vehicles at RMB6.80 per share for a consideration of RMB431,755,630. Upon completion of the transaction, the Company will hold approximately 57.42% equity interest in CIMC Vehicles and CIMC Vehicles will remain as a non-wholly owned subsidiary of the Company. The transaction was considered and approved at the ninth meeting of the ninth session of the Board of the Company in 2020, at which no Director was required to abstain from voting on the relevant Board resolution due to any material interest in the transaction. The independent Directors of the Company have conducted preliminary review and issued independent opinions. The transaction was not required to be submitted to the general meeting of the Company for consideration and approval. For relevant details, please refer to announcement published on Cninfo website (www.cninfo.com.cn), the announcement published on the Company's website (www.cimc.com) (Announcement No.: [CIMC] 2020-052) and the announcement published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 22 July 2020.
- On 6 August 2020, it was considered and approved at the tenth meeting of the ninth session of the Board of the Company in 2020 that Country Garden Real Estate Group Co., Ltd. (hereafter referred to as "Country Garden") will pay additional capital of RMB1,606,124,427 to CIMC Industry & City, an indirect non-wholly-owned subsidiary of the Company, and the corresponding additional capital to the equity value of Qianhai Projects (if any) will be increased to a maximum of RMB39,012,616. Upon the completion of the transaction, the equity interests in CIMC Industry & City held by Country Garden will increase from 25% to 30%. The independent Directors of the Company have conducted preliminary review and issued independent opinions. Such matters are subject to consideration and approval at the general meeting of the Company. For relevant details, please refer to announcements published on Cninfo website (www.cninfo.com.cn), the announcements published on the Company's website (www.cimc.com) (Announcement Nos.: [CIMC] 2020-057 and [CIMC] 2020-058) and the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 6 August 2020.
- On 12 August 2020, the Company, Shenzhen CIMC Intelligent Technology Co., Ltd. (hereafter referred to as "CIMC Intelligent", a subsidiary of the Company), SCIMC (a wholly-owned subsidiary of the Company) and Dongjie Intelligent (Shenzhen) Co., Ltd. (東傑智能(深圳)有限公司) (hereafter referred to as "Shenzhen Dongjie") signed the Equity Transfer Agreement Regarding Shenzhen CIMC Intelligent Technology Co., Ltd. (hereafter referred to as the "Equity Transfer Agreement"). Pursuant to the Equity Transfer Agreement, the Group intends to transfer its 55% equity interest in CIMC Intelligent to an independent third party, Shenzhen Dongjie, for a transaction consideration of RMB49.5 million. Upon completion of the transaction, the Company's equity in CIMC Intelligent will be reduced from 68% to 13%, and CIMC Intelligent will cease to be a subsidiary of the Company. At the same time, upon completion of the transaction, the Company's loan amounting to RMB15 million to CIMC Intelligent constitutes the external financial assistance. As stipulated in the Equity Transfer Agreement, the relevant parties shall repay the principal and interest in one lump sum within three months from the date of equity transfer in this transaction (bearing interest based on annualized interest rate of 6%). For relevant details, please refer to the announcement published on Cninfo website (www.cninfo.com.cn), the announcements published on the Company's website (www.cimc.com) (Announcement No.: [CIMC]2020-059) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 12 August 2020.

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XII. EVENTS AFTER THE BALANCE SHEET DATE (CONTINUED)

- According to the capital increase agreement dated 18 August 2020, Xi'an Qujiang Cultural Industry Investment (Group) Co., Ltd. (西安曲江文化產業投資(集團)有限公司) (hereafter referred to as "Qujiang Cultural Industry Investment") paid the tentative proposed additional capital price of RMB2,351,531,106.75 to CIMC Industry & City, an indirect non-wholly owned subsidiary of the Company, of which, RMB90,940,737.86 will be used to subscribe for the registered capital of CIMC Industry & City correspondingly, and RMB2,260,590,368.89 is proposed to be transferred to the capital reserve of CIMC Industry & City. Upon completion of the transaction, the registered capital of CIMC Industry & City will be increased to RMB454,703,689.29, Qujiang Cultural Industry Investment will hold 20% equity interest in CIMC Industry & City. As at the date of this announcement, CIMC Industry & City is an indirect non-wholly owned subsidiary of the Company, in which the Company holds 61.5% equity interest. Upon completion of the capital increase by Country Garden, the Company will hold 57.4% equity interest in CIMC Industry & City, and upon completion of the capital increase by Qujiang Cultural Industry Investment, the percentage of equity interest held by the Company in CIMC Industry & City will be decreased to 45.92%. The transaction is required to be submitted to the general meeting of the Company for consideration. Upon the completion of the transaction, the scope of the Company's consolidated statements will be changed. CIMC Industry & City will no longer be an indirect non-wholly owned subsidiary of the Company, instead, it will become an associate of the Company. In addition, as certain directors and senior management of the Group will hold directorship on the new board of directors of CIMC Industry & City, according to the Shenzhen Listing Rules, CIMC Industry & City will also constitute a related party of the Company under the Shenzhen Listing Rules. After CIMC Industry & City introduces the strategic investor, its fund transfer with the Group and providing related party guarantees to CIMC Industry & City are required to be submitted to the general meeting of the Company for consideration. Such matters stated above have been considered and approved by the eleventh meeting in 2020 of the ninth session of the Board and is required to be submitted to the general meeting for consideration. The independent Directors have issued review opinions in advance. For relevant details, please refer to the announcements published on Cninfo website (www.cninfo.com.cn), the announcements published on the Company's website (www.cimc.com) (Announcement Nos.: [CIMC] 2020-063 and [CIMC] 2020-064) and the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 18 August 2020.

XIII. SEGMENT REPORTING

In accordance with the Group's internal organization structure, management requirement and internal reporting process, ten reportable segments are identified by the Group including: containers manufacturing, road transportation vehicles, energy, chemical and liquid food equipment, offshore engineering, airport facilities, logistics services, finance, property development, heavy trucks and unit load. 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 amortization, 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)

The information disclosed below for each reporting segment of the Group is that the management of the Group has used when measuring the profit/(loss), assets and liabilities of the reporting segment, or has not used the following data but provided to the management of the Group on a regular basis:

Item	Containers manufacturing	Road transportation	Energy, chemical and liquid food equipment	Offshore engineering	Airport, facilities, fire safety and automated logistics	Heavy truck services	Real estate	Finance and asset management	Unit Load	Others	Elimination between segments	Total	
	for the period from 1 January to 30 June 2020	for the period from 1 January to 30 June 2020	for the period from 1 January to 30 June 2020	for the period from 1 January to 30 June 2020	for the period from 1 January to 30 June 2020	for the period from 1 January to 30 June 2020	for the period from 1 January to 30 June 2020	for the period from 1 January to 30 June 2020	for the period from 1 January to 30 June 2020	for the period from 1 January to 30 June 2020	for the period from 1 January to 30 June 2020	for the period from 1 January to 30 June 2020	
External transaction	8,092,629	11,128,997	5,755,355	2,418,164	2,185,170	880,648	4,428,634	1,260,015	970,165	1,200,040	1,258,378	(146,388)	39,431,807
Inter segment transaction	356,154	61,522	42,422	109,673	5,639	273	22,900	2,118	164,519	86,472	212,357	(1,064,049)	-
Cost of sales from main operations	7,566,954	9,704,416	4,893,168	2,458,394	1,706,215	867,023	4,146,008	778,908	379,946	1,143,175	1,273,017	(1,305,008)	33,612,216
Investment income/(loss) in joint ventures and associates	-	6,013	(1,581)	-	1,426	13,868	7,725	23,914	-	3,580	(54)	-	54,891
Impairment loss for the year	-	13,578	740	(1,297)	2,050	-	47	-	-	1,700	22	-	16,840
Depreciation and amortization expenses	215,425	200,334	171,203	388,234	88,251	72,434	86,850	28,613	335,608	39,664	29,553	(6,567)	1,649,602
Interest income	68,913	38,232	58,995	22,990	3,781	18,086	8,125	47,522	143,011	7,632	1,223,943	(1,852,420)	(211,190)
Interest expenses	63,333	59,884	60,321	697,139	38,755	49,136	15,217	11,578	91,939	11,518	1,137,029	(1,344,088)	891,761
Segment operating profit/(loss)	257,237	787,481	201,351	(872,272)	94,750	(138,012)	246,985	236,152	246,436	4,258	(232,764)	(190,252)	641,350
Income tax expenses	18,309	89,235	44,513	17,495	16,276	(13)	14,896	100,376	67,686	4,998	18,344	7,017	399,132
Net profit/(loss)	238,928	698,246	156,838	(889,767)	78,474	(137,999)	232,089	135,776	178,750	(740)	(251,108)	(197,269)	242,218
Segment total assets	16,897,851	20,648,068	16,056,468	38,054,467	8,661,192	3,912,075	4,747,433	30,327,719	49,444,034	2,375,937	57,259,514	(71,437,106)	176,947,652
Segment total liabilities	9,443,760	10,623,526	8,796,053	42,612,409	5,704,753	4,121,321	2,715,932	21,952,162	46,104,261	1,338,837	50,290,243	(82,833,936)	120,869,321
Supplementary information:													
- Segment expenditures/(income) other than depreciation and amortization	41,246	44,794	11,786	(8,113)	788	22	27,775	-	51,400	5,310	240,733	(59,524)	356,217
- Long-term equity investment of joint ventures and associates	256,819	107,324	33,052	100,768	25,348	284,147	440,351	3,601,771	417,979	64,055	366,083	-	5,697,697
- Segment expenditures raising from additions of non-current assets	449,638	613,037	209,646	86,992	31,748	173,348	193,385	4,352,253	31,428	1,072,774	20,840	(1,009,964)	6,225,125

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XIII. SEGMENT REPORTING (CONTINUED)

1. Segment profits, losses, assets and liabilities (Continued)

The information disclosed below for each reporting segment of the Group is that the management of the Group has used when measuring the profit/(loss), assets and liabilities of the reporting segment, or has not used the following data but provided to the management of the Group on a regular basis (continued):

Item	Containers	Road	Energy,		Airport,								Total
	manufacturing	transportation	chemical and	Offshore	facilities, fire	Heavy truck	Logistics	Real estate	Finance	Others	Elimination	Total	
	for the	for the	liquid food	engineering	safety and	for the	for the	for the	and asset	for the	between	for the	for the
	period from	period from	equipment	for the	automated	period from	period from	period from	management	period from	segments	period from	period from
	1 January to	1 January to	for the	period from	equipment	1 January to	1 January to	1 January to	for the	1 January to	for the	1 January to	1 January to
	30 June 2019	30 June 2019	period from	30 June 2019	for the	30 June 2019	30 June 2019	30 June 2019	for the	30 June 2019	for the	30 June 2019	30 June 2019
External transaction	11,118,126	12,652,494	7,087,351	1,354,503	2,352,116	997,099	4,287,819	561,217	940,284	1,366,720	-	-	42,717,729
Inter segment transaction	214,374	61,104	94,364	332,576	1,432	114,321	22,497	2,091	-	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	1,051,001	3,919,288	219,856	643,956	1,640,599	(1,450,675)	-	36,540,349
Investment income/(loss) in joint ventures and associates	(1,774)	2,525	-	-	169	10,170	15,948	645	(74)	(20)	(2,525)	-	25,064
Impairment loss for the year	316	9,440	(1,694)	-	406	2,716	(13,704)	-	-	2,391	-	-	(129)
Depreciation and amortization expenses	219,137	178,136	163,394	195,354	70,492	95,998	83,516	11,957	142,344	72,737	-	-	1,233,065
Interest income	202,163	41,545	48,084	201,314	2,542	19,355	14,039	194,387	160,245	1,447,173	(1,959,176)	-	371,671
Interest expenses	142,152	56,519	67,131	629,179	26,421	53,755	21,367	402,867	66,481	1,234,981	(1,826,069)	-	874,784
Segment operating profit/(loss)	32,723	968,774	446,899	(703,491)	84,233	(43,539)	117,547	211,914	279,012	(110,645)	356,729	-	1,640,156
Income tax expenses	(4,857)	123,733	83,478	(179)	10,269	159	26,775	133,661	79,947	42,994	41,956	-	537,936
Net profit/(loss)	37,580	845,041	363,421	(703,312)	73,964	(43,698)	90,772	78,253	199,065	(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	4,177,420	4,970,047	19,984,634	44,322,448	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	3,637,484	3,023,234	13,385,639	35,336,045	51,383,656	(68,220,959)	-	109,877,484
Supplementary information:													
- Segment expenditures/ (income) other than depreciation and amortization	28,467	2,350	5,673	9,985	5,364	4,830	(8,955)	(1)	31,482	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	260,092	555,209	3,490,325	228,409	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	54,717	59,485	146,908	185,597	248,250	126,917	-	3,787,170

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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, deferred tax assets and long-term receivables, 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 2020	For the Period from 1 January to 30 June 2019	30 June 2020	31 December 2019
PRC	24,450,132	21,305,095	57,159,598	52,340,352
Asia (exclusive of PRC)	3,253,159	3,597,098	282,203	290,438
America	4,795,277	9,172,197	10,822,927	10,666,618
Europe	6,394,783	7,629,473	1,517,124	1,551,403
Others	538,456	1,013,866	143,755	178,547
Total	39,431,807	42,717,729	69,925,607	65,027,358

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, account and notes receivables, other 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 lessee, 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 lessee'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.

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 17.99% (2019: 16.72%) of the total accounts receivables and other receivables were due from the five largest customers of the Group.

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

1. Credit risk (Continued)

Investments are normally made only to liquid securities quoted on a recognized 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 does not provide any other guarantees which would expose the Group 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 2020, 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 31 December) and the earliest date the Group can be required to pay:

	30 June 2020					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	12,571,219	-	-	-	12,571,219	12,571,219
Financial assets held for trading	358,355	-	-	-	358,355	358,355
Derivative financial assets	66,477	12	-	-	66,489	66,489
Note receivables	798,529	-	-	-	798,529	798,529
Accounts receivables	18,570,633	-	-	-	18,570,633	18,570,633
Receivables financing	1,356,435	-	-	-	1,356,435	1,356,435
Current portion of non-current assets	6,426,869	-	-	-	6,426,869	4,240,578
Other receivables	7,944,949	-	-	-	7,944,949	7,944,949
Long-term receivables	-	3,660,864	5,980,939	9,525,181	19,166,984	13,257,579
Sub-total	48,093,466	3,660,876	5,980,939	9,525,181	67,260,462	59,164,766
Financial liabilities						
Short-term borrowings	17,939,019	-	-	-	17,939,019	17,939,019
Derivative financial liabilities	537,395	21,062	-	12,389	570,846	570,846
Notes payables	2,291,256	-	-	-	2,291,256	2,291,256
Accounts payables	13,264,068	-	-	-	13,264,068	13,264,068
Debentures payable	312,200	4,235,130	4,115,424	9,047	8,671,802	8,009,047
Other payables	13,715,754	-	-	-	13,715,754	13,715,754
Current portion of non-current liabilities	4,476,850	-	-	-	4,476,850	4,476,850
Other current liabilities	2,138,596	-	-	-	2,138,596	2,138,596
Long-term borrowings	11,044,593	6,418,408	18,617,191	3,270,956	39,351,148	33,513,835
Lease liabilities	-	128,894	252,955	293,778	675,627	610,472
Long-term payables	-	178,093	-	-	178,093	178,093
Other non-current liabilities	-	-	-	2,197,135	2,197,135	2,197,135
Sub-total	65,719,731	10,981,587	22,985,570	5,783,305	105,470,194	98,904,971
Net total	(17,626,265)	(7,320,711)	(17,004,631)	3,741,876	(38,209,732)	(39,740,205)

As at 30 June 2020, 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 2019					Total	Carrying amount at balance sheet date
	Within 1 year or on demand	1 to 2 years	2 to 5 years	Over 5 years	Undiscounted contractual cash flow		
Financial assets							
Cash at bank and on hand	9,714,792	-	-	-	9,714,792	9,714,792	9,714,792
Financial assets held for trading	415,503	-	-	-	415,503	415,503	415,503
Derivative financial assets	100,980	74,445	-	-	175,425	175,425	175,425
Note receivables	636,619	-	-	-	636,619	636,619	636,619
Accounts receivables	18,394,971	-	-	-	18,394,971	18,394,971	18,394,971
Receivables financing	1,236,504	-	-	-	1,236,504	1,236,504	1,236,504
Current portion of non-current assets	6,546,308	-	-	-	6,546,308	6,546,308	4,294,669
Other receivables	7,591,488	-	-	-	7,591,488	7,591,488	7,591,488
Other debt investments	-	-	-	31,272	31,272	31,272	31,272
Long-term receivables	-	3,574,232	17,489,724	-	21,063,956	21,063,956	13,777,669
Sub-total	44,637,165	3,648,677	17,489,724	31,272	65,806,838	65,806,838	56,268,912
Financial liabilities							
Short-term borrowings	17,557,197	-	-	-	17,557,197	17,557,197	17,557,197
Derivative financial liabilities	352,167	40,275	-	11,264	403,706	403,706	403,706
Notes payables	2,581,139	-	-	-	2,581,139	2,581,139	2,581,139
Accounts payables	12,745,264	-	-	-	12,745,264	12,745,264	12,745,264
Debentures payable	312,200	2,294,802	6,138,733	17,170	8,762,905	8,762,905	8,014,049
Other payables	11,877,217	-	-	-	11,877,217	11,877,217	11,877,217
Current portion of non-current liabilities	9,616,415	-	-	-	9,616,415	9,616,415	9,616,415
Other current liabilities	4,106	-	-	-	4,106	4,106	4,106
Long-term borrowings	1,608,710	15,325,545	16,868,983	3,367,254	37,170,492	37,170,492	30,918,302
Lease liabilities	-	164,439	280,043	313,363	757,845	757,845	667,964
Long-term payables	-	108,227	-	-	108,227	108,227	108,227
Other non-current liabilities	-	-	-	1,226,401	1,226,401	1,226,401	1,226,401
Sub-total	56,654,415	17,933,288	23,287,759	4,935,452	102,810,914	102,810,914	95,719,987
Net total	(12,017,250)	(14,284,611)	(5,798,035)	(4,904,180)	(37,004,076)	(37,004,076)	(39,451,075)

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

2. Liquidity risk (Continued)

- (i) 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 2020				
Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
1,312,326	2,801,936	516,587	2,265	4,633,114

31 December 2019				
Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
1,172,536	2,215,665	516,587	2,400	3,907,188

- (ii) Bank and other borrowings are analysed by repayment terms as follows:

	30 June 2020		31 December 2019	
	Bank borrowings	Other borrowings	Bank borrowings	Other borrowings
Within 1 year	22,276,512	–	26,863,338	–
1 to 2 years	5,421,977	–	14,031,614	–
2 to 5 years	25,582,621	–	14,353,711	–
over 5 years	2,509,237	–	2,532,977	–
	55,790,347	–	57,781,640	–

3. Interest rate risk

The Group's interest rate risk mainly arises from long-term interest-bearing debt such as long-term borrowings and debentures payable. Financial liabilities with floating interest rates expose the Group to cash flow interest rate risk, and financial liabilities with fixed interest rates expose the Group to fair value interest rate risk. The Group determines the relative proportions of fixed-rate and floating-rate contracts based on the market environment. As at 30 June 2020, the Group's long-term interest-bearing debts were mainly RMB-denominated floating-rate contracts with an amount of RMB21,452,107,000 (31 December 2019: RMB20,626,847,000) (Note IV.41).

The Group continuously monitors the level of the interest rate. Rising of interest rates will increase the cost of new interest-bearing debt and the outstanding interest-bearing debt at floating interest rate, and will have a significant adverse impact on the Group's financial performance. Management will make timely measures based on the latest market conditions. Interest rate swaps may be arranged to reduce the risk of interest rate. The Group has interest rate swap arrangements during 1 January to 30 June 2020 and 2019 (Notes IV.3, Note IV.16 and Note IV.45).

As at 30 June 2020, it is estimated that a general increase/decrease of 50 basis in floating interest rates, with all other factors held constant, would decrease/increase the Group's net profit by RMB80,445,000 (31 December 2019: approximately RMB77,351,000).

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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 derivative financial instruments disclosed in Note IV.3, Note IV.16 and IV.45, the Group's exposure as at 30 June to currency risk arising from recognized 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.

	30 June 2020				31 December 2019			
	USD	EUR	HKD	JPY	USD	EUR	HKD	JPY
Cash at bank and on hand	2,019,622	358,571	1,209,104	17,871	961,838	144,124	1,497,898	91,059
Receivables	6,658,050	148,476	27,802	40,963	6,606,400	152,570	58,034	16,029
Contract assets	-	-	-	-	62,885	-	-	-
Short-term borrowings	(823,259)	-	(173,548)	-	(2,180,345)	(280,217)	(134,372)	-
Lease liabilities	(4,465)	-	(1,545)	-	(4,403)	-	(2,126)	-
Long-term borrowings	(1,105,041)	-	-	-	(2,196,226)	-	-	-
Payables	(954,811)	(41,030)	(14,388)	(4,016)	(2,111,753)	(108,793)	(35,154)	(1,050)
Current portion of non-current liabilities	(9,562)	-	(692)	-	(3,061,059)	-	(1,589)	-
Gross balance sheet exposure	5,780,534	466,017	1,046,733	54,818	(1,922,663)	(92,316)	1,382,691	106,038

As at 30 June 2020 and 31 December 2019, 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 2020				31 December 2019			
	RMB	EUR	HKD	JPY	RMB	EUR	HKD	JPY
Cash at bank and on hand	137,511	7,014	11,127	-	209,642	12,108	6,069	-
Receivables	781,491	2,853	1,785	-	148,991	-	1,495	-
Receivables financing	20,285	-	-	-	32,792	-	-	-
Contract assets	45,647	-	-	-	-	-	-	-
Short-term borrowings	(150,000)	(251,990)	-	-	(207,370)	(247,266)	-	-
Lease liabilities	(185,308)	-	-	-	-	-	-	-
Payables	(1,087,668)	(47,006)	(5)	-	(786,092)	-	(5)	-
Current portion of non-current liabilities	-	-	(325)	-	(2,043)	-	(1,589)	-
Gross balance sheet exposure	(252,734)	(289,129)	12,582	-	(604,080)	(235,158)	5,970	-

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

4. Foreign exchange risk (Continued)

(2) The following are the exchange rates for RMB against foreign currencies applied by the Group:

	Average exchange rate		Middle rate at the balance sheet date	
	For the Period from 1 January to 30 June in 2020	For the Period from 1 January to 30 June in 2019	30 June 2020	31 December 2019
USD	7.0568	6.7797	7.0771	6.9784
EUR	7.8016	7.6511	7.9618	7.8125
HKD	0.9095	0.8648	0.9134	0.8958
JPY	0.0658	0.0638	0.0658	0.0641

(3) Sensitivity analysis

Assuming other risk variables other than the exchange rate remain unchanged, the exchange rate of RMB against USD, HKD, and JPY caused the RMB to appreciate by 0.81%, 1.09% and 0.29%, RMB against EUR caused the RMB to depreciate by 1.40% on 30 June 2020 (RMB against USD, EUR, HKD and JPY caused the RMB to appreciate by or depreciate by 5%), 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 2020		
USD	(34,979)	(34,979)
EUR	4,882	4,882
HKD	(8,530)	(8,530)
JPY	(120)	(120)
Total	(38,748)	(38,748)
31 December 2019		
USD	72,100	72,100
EUR	3,462	3,462
HKD	(51,851)	(51,851)
JPY	(3,976)	(3,976)
Total	19,735	19,735

Assuming other risk variables other than the exchange rate remain unchanged, RMB against EUR caused the RMB to appreciate by 1.40%, the exchange rate of RMB against USD, HKD, and JPY caused the RMB to depreciate by 0.81%, 1.09% and 0.29%, on 30 June 2020 (RMB against USD, EUR, HKD and JPY caused the RMB to appreciate by or depreciate by 5%), 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 HKD caused USD to appreciate by 0.28%, the exchange rate of USD against RMB, EUR, and JPY caused USD to depreciate by 0.81%, 2.22% and 0.51% on 30 June 2020 (USD exchange rate against RMB, EUR, HKD and JPY caused USD to appreciate or depreciate by 5% on 31 December 2019), 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 and listed as follows:

	Equity	Net profit
30 June 2020		
RMB	(1,543)	(1,543)
EUR	(4,819)	(4,819)
HKD	(27)	(27)
JPY	-	-
Total	(6,388)	(6,388)
31 December 2019		
RMB	22,653	22,653
EUR	8,818	8,818
HKD	(224)	(224)
JPY	-	-
Total	31,248	31,248

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 and interest swap contact disclosed in Note IV.3, Note IV.16 and IV.45, 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 risks

Other price risks are mainly stock price risk. As at 30 June 2020, the Group held 40,414,000 tradable shares of Qingdao Port International Co., Ltd.

As at 30 June 2020, it is estimated that a general increase/decrease of the comprehensive index of shares 5.00% (2019: 5.00%), with all other variables held constant, would increase/decrease the Group's shareholders' equity by RMB6,865,000 (2019: RMB20,784,000).

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% 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 that are measured at fair value in the above three levels as at 30 June 2020:

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		152,088	–	–	152,088
Investments in debt instrument		–	–	206,267	206,267
Derivative financial assets –	IV.3				
Foreign exchange forward contract		–	66,458	–	66,458
Foreign exchange option contract		–	14	–	14
Future contract		–	5	–	5
Finance receivables –	IV.6				
Notes receivables		–	1,356,435	–	1,356,435
Other debt investments –	IV.14				
Financial bonds		–	–	–	–
Other equity investments –	IV.15				
Unlisted company stock		–	–	935,836	935,836
Listed company stock		293,361	–	–	293,361
Other non-current financial assets –	IV.16				
Interest rate swap contract		–	12	–	12
Financial assets total		445,449	1,422,924	1,142,103	3,010,476
Non-financial assets					
Investment properties	IV.19	–	–	7,016,158	7,016,158
Total		445,449	1,422,924	8,158,261	10,026,634

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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 that are measured at fair value in the above three levels as at 30 June 2020 (Continued):

Liabilities	Note	Level 1	Level 2	Level 3	Total
Financial liabilities					
Derivative financial liabilities –	IV.3				
Foreign exchange forward contract		–	(94,328)	–	(94,328)
Foreign exchange option contract		–	(119)	–	(119)
Interest rate swap		–	(141,643)	–	(141,643)
Commitment to minority shareholders		–	–	(301,305)	(301,305)
Other non-current liabilities –	IV.45				
Foreign exchange forward contract		–	(38)	–	(38)
Interest rate swap		–	(21,023)	–	(21,023)
Financial guarantee contracts		–	–	(12,389)	(12,389)
Financial liabilities total		–	(257,151)	(313,694)	(570,845)

The following table presents the Group's assets that are measured at fair value in the above three levels as at 31 December 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		200,206	–	–	200,206
Investments in debt instrument		–	–	215,297	215,297
Derivative financial assets –	IV.3				
Foreign exchange forward contract		–	92,098	–	92,098
Foreign exchange option contract		–	56	–	56
Interest rate swap contract		–	8,826	–	8,826
Finance receivables –	IV.6				
Notes receivables		–	1,236,504	–	1,236,504
Other debt investments –	IV.14				
Financial bonds		31,272	–	–	31,272
Other equity investments –	IV.15				
Unlisted company stock		–	–	1,009,586	1,009,586
Listed company stock		363,799	–	–	363,799
Other non-current financial assets –	IV.16				
Interest rate swap contract		–	74,445	–	74,445
Financial assets total		595,277	1,411,929	1,224,883	3,232,089
Non-financial assets					
Investment properties	IV.19	–	–	2,769,715	2,769,715
Total		595,277	1,411,929	3,994,598	6,001,804

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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		–	(50,595)	–	(50,595)
Foreign exchange option contract		–	(101)	–	(101)
Currency swap contract		–	(166)	–	(166)
Commitment to minority shareholders		–	–	(301,305)	(301,305)
Other non-current liabilities –	IV.45				
Interest rate swap contract		–	(40,275)	–	(40,275)
Financial guarantee contracts		–	–	(11,264)	(11,264)
Financial liabilities total		–	(91,137)	(312,569)	(403,706)

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 2020, 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 2020	2,769,715
Transferred from inventories	4,253,776
Total gains for the current period	(7,333)
– Gains recognized in profit or loss	304
– Gains recognized in other comprehensive income	(7,637)
Transfer to other assets	–
Disposals	–
30 June 2020	7,016,158
	Investment properties
1 January 2019	1,966,277
Transferred from inventories, fixed assets and construction in progress	363,077
Total gains for the current period	451,771
– Gains recognized in profit or loss	33,156
– Gains recognized in other comprehensive income	418,615
Transfer to other assets	(11,410)
Disposals	–
31 December 2019	2,769,715

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 as at 30 June 2020	Valuation techniques	Name	Significant unobservable inputs		
				Scope/ weighted average	Relationship with fair value	Observable/ Unobservable
Investment properties – Completed investment properties held for sale	6,601,634	Income model	Rate of return/capitalization rate Monthly rental (RMB/square meter/ month)	5%-9% 4.25-80.22	(a)	Unobservable
Land use rights	414,524	Direct comparison	Market price (RMB/square meter)	479.3-2113	(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 2019	Valuation techniques	Name	Significant unobservable inputs		
				Scope/ weighted average	Relationship with fair value	Observable/ Unobservable
Investment properties –			Rate of return/capitalization rate	5%-9%		
Completed investment properties held for sale	2,355,331	Income model	Monthly rental (RMB/square meter/ month)	4.25-80.22	(a)	Unobservable
Land use rights	414,384	Direct comparison	Market price (RMB/square meter)	479.3-2113	(a)	Unobservable

(2) Assets measured at fair value on a non-recurring basis

Financial assets and liabilities in the Group measured by the amortized cost method of including: accounts receivables, short-term borrowings, accounts payables, long-term borrowings, debentures payable, and long-term payables etc.

As at 30 June 2020, all financial instruments are carried at amounts not materially different from their fair value.

- (3) 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.

(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 other equity instrument investments 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.

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

6. Fair value estimates (Continued)

(4) Estimation and assumption of fair values (Continued)

(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.

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.

The Group manages capital status by controlling the Debt-Asset ratio not to exceed 70%. The Debt-Asset ratio as at 30 June 2020 and 31 December 2019 were as follows:

	30 June 2020	31 December 2019
Total Liabilities	120,869,321	117,069,543
Total Assets	176,947,652	172,107,521
Debt-Asset ratio	68.31%	68.02%

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS

1. Cash at bank and on hand

	30 June 2020	31 December 2019
Bank deposits	1,354,936	1,569,703
Other cash balances	6,642	6,595
Total	1,361,578	1,576,298
Including: cash abroad	–	–

As at 30 June 2020, restricted cash at bank and on hand of the Company amounted to RMB23,481,000 (31 December 2019: RMB23,332,000).

As at 30 June 2020, the fixed deposit of the Company in the Financial Company, a subsidiary of the Group, was RMB0 (31 December 2019: RMB1,100,000,000).

2. Other receivables

(1) Other receivables are analysed by categories of customers as follows:

	30 June 2020	31 December 2019
Amounts due from related parties	21,950,646	21,235,920
Dividends receivable	4,398,110	4,291,084
Interest receivable	70,918	80,349
Security deposits	195	171
Others	21,741	22,711
Sub-total	26,441,610	25,630,235
Less: provision for bad debts	(4,580)	(4,580)
Total	26,437,030	25,625,655

(2) The ageing analysis of other receivables is as follows:

	30 June 2020	31 December 2019
Within 1 year (inclusive)	18,929,854	17,272,905
1 to 2 years (inclusive)	3,149,724	3,780,819
2 to 3 years (inclusive)	31,541	62,812
Over 3 years	4,330,491	4,513,699
Total	26,441,610	25,630,235

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

(3) 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	Book balance	Book balance	Book balance		Book balance
31 December 2019	25,625,655	-	-	-	-	4,580	(4,580)	(4,580)
Increase in current year	3,312,431	-	-	-	-	-	-	-
Reversal in current year	(2,501,056)	-	-	-	-	-	-	-
Write-off and derecognise in current year	-	-	-	-	-	-	-	-
Including: Write-off in current year	-	-	-	-	-	-	-	-
Derecognise	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
30 June 2020	26,437,030	-	-	-	-	4,580	(4,580)	(4,580)

(i) As at 30 June 2020, the provision for bad debts of other receivables in the first stage is as follows:

	30 June 2020			31 December 2019		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Amount	Accrual ratio	Amount	Amount	Accrual ratio
Amounts due from related parties	21,950,646	-	-	21,235,920	-	-
Dividends receivable	4,398,110	-	-	4,291,084	-	-
Interest receivable	70,918	-	-	80,349	-	-
Security deposits	195	-	-	171	-	-
Others	17,161	-	-	18,131	-	-
	26,437,030	-	-	25,625,655	-	-

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

(3) Loss provision and changes in book balance (Continued)

- (ii) As at 30 June 2020 and 31 December 2019, the other receivables for the provision of bad debts in the portfolio are all in the third stage, as analysed below:

	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.

(4) There is no reversal or recovery of provision for the current year.

(5) As at 30 June 2020, the five largest other receivables are analysed as follows:

	Nature	Amount	Aging	% of total balance	Provision for bad
CIMC Hong Kong	Fund transfer, daily transfer	7,334,428	Within 1 year, 1 to 2 years	27.74%	-
CIMC RAFFLES	Fund transfer	4,676,154	Within 1 year, 1 to 2 years	17.68%	-
CIMC Financing and leasing	Fund transfer, daily transfer	3,185,442	Within 1 year	12.05%	-
Southern CIMC	Fund transfer	1,801,634	Within 1 year	6.81%	-
C&C Trucks	Fund transfer, daily transfer	1,522,745	Within 1 year, 1 to 2 years	5.76%	-
		18,520,403		70.04%	-

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

(5) As at 30 June 2020, the five largest other receivables are analysed as follows: (Continued)

As at 31 December 2019, the five largest other receivables are analysed as follows:

	Nature	Amount	Aging	% of total balance	Provision for bad
CIMC Hong Kong	Fund transfer, daily transfer	8,398,665	Within 1 year, 1 to 2 years	32.77%	–
CIMC RAFFLES	Fund transfer	4,630,923	Within 1 year, 1 to 2 years	18.07%	–
CIMC Financing and leasing	Fund transfer, daily transfer	3,350,911	Within 1 year	13.07%	–
C&C Trucks	Fund transfer, daily transfer	1,043,530	Within 1 year, 1 to 2 years	4.07%	–
CIMC Investment	Fund transfer	884,224	Within 1 year, 1 to 2 years	3.45%	–
		18,308,253		71.43%	–

(6) Other receivables from shareholders holding more than 5% (inclusive) of the voting rights of the Company are analysed as follows

As at 30 June 2020 and 31 December 2019, 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.

(7) Receivables from related parties

	Relationship with the Company	30 June 2020		31 December 2019	
		Amount	% of total balance	Amount	% of total balance
Associates	Associates	71,267	0.27%	70,599	0.28%
Subsidiaries	Subsidiaries	21,879,379	82.75%	21,165,321	82.58%
Total		21,950,646	83.02%	21,235,920	82.86%

(8) Other receivables derecognised due to transfer of financial assets

As at 30 June 2020, there were no other receivables derecognised due to transfer of financial assets of the Company in the current year (31 December 2019: Nil).

(9) Amount of assets and liabilities recognised due to the continuing involvement of securitised other receivables

As at 30 June 2020, there were no securitised other receivables (31 December 2019: Nil).

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Other equity investments

	30 June 2020	31 December 2019
Other equity investments		
Unlisted company equity		
– BOCM Schroder Stolt Fund Management	319,866	424,094
– China Railway United Logistics	303,621	303,943
	623,487	728,037

4. Long-term equity investments

(1) Long-term equity investments are analysed by categories as follows:

	30 June 2020	31 December 2019
Subsidiaries (2)	13,951,200	13,261,200
Less: impairment provisions	(424,637)	(424,637)
Total	13,526,563	12,836,563

There is no restriction on sale of the long-term equity investments held by the Company.

(2) Subsidiaries:

Company name	31 December 2019	Increase in current year	Decrease in current year	30 June 2020	Share holding (%)	Voting rights (%)	Impairment provided in year	Cash dividend
Cost Method – Subsidiaries								
SCIMC	359,978	–	–	359,978	100.00%	100.00%	–	–
Xinhui CIMC	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 Hong Kong	1,690	–	–	1,690	100.00%	100.00%	–	–
CIMC SD	162,686	–	–	162,686	98.53%	100.00%	–	157,648
CIMC Vehicles	606,912	–	–	606,912	37.67%	53.82%	–	299,228
CIMC Tech	41,526	–	–	41,526	59.46%	68.00%	–	–
CIMC Training	48,102	–	–	48,102	100.00%	100.00%	–	–
DLZH	525,136	–	–	525,136	74.13%	100.00%	(424,637)	–
MEA	111,703	–	–	111,703	75.00%	100.00%	–	–
SZ Investment Holding	71,926	–	–	71,926	100.00%	100.00%	–	–
Finance Company	482,590	–	–	482,590	54.35%	100.00%	–	32,196
CIMC Financing and Leasing	1,157,625	–	–	1,157,625	75.00%	100.00%	–	–

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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 2019	Increase in current year	Decrease in current year	30 June 2020	Share holding (%)	Voting rights (%)	Impairment provided in year	Cash dividend
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%	-	-
COOPERATIE CIMC U.A	205,022	-	-	205,022	99.00%	99.00%	-	-
Modern Logistic	803,904	-	-	803,904	100.00%	100.00%	-	140,000
C&C Trucks	1,430,593	-	-	1,430,593	70.06%	70.06%	-	-
CIMC Offshore Holdings	35,000	90,000	-	125,000	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	306,080	100,000	-	406,080	100.00%	100.00%	-	-
CIMC Technology	1,041,195	-	-	1,041,195	100.00%	100.00%	-	-
CIMC Capital	80,000	-	-	80,000	100.00%	100.00%	-	-
Cimc Vehicles Holdings Co. LTD	-	500,000	-	500,000	100.00%	100.00%	-	-
Total	13,261,200	690,000	-	13,951,200			(424,637)	629,072

5. Fixed assets

	30 June 2020	31 December 2019
Fixed assets (a)	130,631	133,486
Disposal of fixed assets (b)	21	58
	130,652	133,544

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

5. Fixed assets (Continued)

(a) Fixed assets

	Plants and buildings Self-used	Machinery and equipment Self-used	Office and other equipment Self-used	Total
Original cost				
31 December 2019	146,064	27,752	145,758	319,574
Transferred from construction in progress	–	3,272	–	3,272
Additions	–	97	1,365	1,462
Disposals	–	(532)	(427)	(959)
30 June 2020	146,064	30,589	146,696	323,349
Accumulated depreciation				
31 December 2019	59,153	20,675	106,260	186,088
Depreciation	2,173	816	4,427	7,416
Disposals	–	(479)	(307)	(786)
30 June 2020	61,326	21,012	110,380	192,718
Net book value				
31 December 2019	86,911	7,077	39,498	133,486
30 June 2020	84,737	9,577	36,317	130,631

The amount of depreciation accrued for fixed assets in January-June 2020 was included in the administrative expenses amounting to RMB7,416,000 (January-June 2019: RMB7,253,000).

The original cost transferred from construction in progress was RMB3,272,000 (January-June 2019: RMB3,316,000).

(b) Disposal of fixed assets

	30 June 2020	31 December 2019
Office and other equipment	21	58

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

6. Short-term borrowings

The analysis of the Company's short-term borrowings is as follows:

	30 June 2020	31 December 2019
Bank borrowings		
– Unsecured	5,262,548	6,460,000

As at 30 June 2020, the short-term loan interest rate ranged from 2.90% to 4.20% (31 December 2019: 3.69% to 4.25%).

7. Taxes payable

	30 June 2020	31 December 2019
VAT payable	4,541	18,808
Income tax payable	1,867	1,867
Withholding individual income tax	1,027	1,269
Others	47	1,848
Total	7,482	23,792

8. Other payable

(1) The analysis of the Company's other payables is as follows:

	30 June 2020	31 December 2019
Current account with subsidiaries	431,436	623,130
Interest payable	192,441	119,250
Accruals	–	1,701
Quality guarantees	69	188
Dividends payable	62,828	–
Others	10,575	10,982
Total	697,349	755,251

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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 2020 and 31 December 2019, 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 2020	31 December 2019
Total amount due to subsidiaries	Subsidiaries	431,436	623,130

9. Current portion of non-current liabilities

Item	Note	30 June 2020	31 December 2019
Current portion of long-term borrowings			
– Unsecured	XVI.10	–	800,000
Current portion of debentures payable	XVI.11	–	–
Total		–	800,000

10. Long-term borrowings

	30 June 2020	31 December 2019
Bank borrowings		
– Unsecured	4,506,000	3,409,000

As at 30 June 2020, there were no overdue long-term borrowings of which the durations are extended (31 December 2019: Nil).

As at 30 June 2020, the interest rate of long-term borrowing ranged from 1.20% to 4.30% (31 December 2019: 1.20% to 3.69%).

11. Debentures payable

Information for the Company's debentures payable is disclosed in Note IV.42.

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

12. Deferred tax assets

- (1) The offsetting balances of deferred tax assets and liabilities offset and corresponding deductible or taxable temporary differences

	30 June 2020		31 December 2019	
	Deductible/ (taxable) Temporary differences	Deferred tax assets/ (liabilities)	Deductible/ (taxable) Temporary differences	Deferred tax assets/ (liabilities)
Deferred tax assets:				
Employee benefits payable	292,521	73,130	342,521	85,630
Derivative financial liabilities	418	105	3,379	845
Sub-total	292,939	73,235	345,900	86,475
Offsetting amount	(117,613)	(29,403)	(121,601)	(30,400)
Offsetting balances	175,326	43,832	224,299	56,075
Including:				
Amount expected to be reversed within 1 year (inclusive)		43,832		56,075

	30 June 2020		31 December 2019	
	Deductible/ (taxable) Temporary differences	Deferred tax assets/ (liabilities)	Deductible/ (taxable) Temporary differences	Deferred tax assets/ (liabilities)
Deferred tax liabilities:				
Derivative financial assets	793	198	4,781	1,195
Fair value gain on transfer day of investment properties	116,820	29,205	116,820	29,205
Sub-total	117,613	29,403	121,601	30,400
Offsetting amount	(117,613)	(29,403)	(121,601)	(30,400)
Offsetting balances	-	-	-	-

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

13. Capital reserve

	1 January 2020	Increase in current year	Decrease in current year	30 June 2020
Capital surplus	3,135,368	21,719	–	3,157,087
Other capital reserve:				
– Exchange reserve on foreign currency capital	687	–	–	687
– Donated non-cash assets reserve	87	–	–	87
– Equity settled share-based payment	190,580	–	(10,632)	179,948
Others	(568,492)	–	–	(568,492)
Total	2,758,230	21,719	(10,632)	2,769,317

	1 January 2019	Increase in current year	Decrease in current year	31 December 2019
Capital surplus	3,697,912	34,544	(597,088)	3,135,368
Other capital reserve:				
– Exchange reserve on foreign currency capital	687	–	–	687
– Donated non-cash assets reserve	87	–	–	87
– Equity settled share-based payment	207,011	–	(16,431)	190,580
Others	(568,492)	–	–	(568,492)
Total	3,337,205	34,544	(613,519)	2,758,230

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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 the income statement from January to June, 2020				
	31 December 2019	Changes in accounting policies	1 January 2020	Post-tax amount attributable to the Company	30 June 2020	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 fair value of other equity investments	339,132	-	339,132	(104,550)	234,582	(104,550)	-	-	(104,550)
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	87,614	-	87,614	-	87,614	-	-	-	-
Item that may be reclassified subsequently to profit and loss									
Property revaluation reserve	43,754	-	43,754	-	43,754	-	-	-	-
	470,500	-	470,500	(104,550)	365,950	(104,550)	-	-	(104,550)

	Other comprehensive income in balance sheet				Other comprehensive income in income statement of 2019				
	31 December 2018	Changes in accounting policies	1 January 2019	Post-tax amount attributable to the Company	31 December 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 fair value of other equity investments	300,368	-	300,368	38,764	339,132	38,764	-	-	38,764
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	-	-	-	87,614	87,614	116,819	-	29,205	87,614
Item that may be reclassified subsequently to profit and loss									
Property revaluation reserve	43,754	-	43,754	-	43,754	-	-	-	-
	344,122	-	344,122	126,378	470,500	155,583	-	29,205	126,378

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

15. Undistributed profits

	For the Period from 1 January to 30 June 2020	2019
Undistributed profits at the beginning of the year	6,991,814	2,750,598
Add: net profit attributable to the Company for the current year	734,609	6,383,354
Less: influence of issuance of perpetual bonds	(118,885)	(200,400)
Less: appropriation for surplus reserve	-	(299,758)
Ordinary share dividends payable	(430,348)	(1,641,980)
Undistributed profits at the end of the year	7,177,190	6,991,814

Approved by the shareholders' general meeting on 1 June 2020, the Company distributed cash dividends to ordinary shareholders on 24 June 2020, at RMB0.12 per share (2019: RMB0.55 per share), totaling RMB430,348,000 (2019: RMB1,641,980,000).

16. Revenue and cost of sales

(1) Revenue and cost of sales

	For the Period from 1 January to 30 June 2020	For the Period from 1 January to 30 June 2019
Revenue from other operations	88,254	124,533
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 2020		For the Period from 1 January to 30 June 2019	
	Revenue from other operations	Cost of sales from other operations	Revenue from other operations	Cost of sales from other operations
Commission	75,654	-	115,945	-
Others	12,600	-	8,588	2,130
Total	88,254	-	124,533	2,130

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

17. Financial (incomes)/expenses

	For the Period from 1 January to 30 June 2020	For the Period from 1 January to 30 June 2019
Interest expenses	418,562	468,752
Less: Interest income	(393,776)	(411,609)
Exchange (gains)/losses	(143,044)	(27,042)
Others	10,018	11,412
Total	(108,240)	41,513

18. Expenses by nature

	For the Period from 1 January to 30 June 2020	For the Period from 1 January to 30 June 2019
Salary and wages	38,982	91,868
Agency fees	7,689	13,923
Office expenditure and operating expenditure	7,444	7,815
Software and system maintenance fee	6,030	6,448
Depreciation and amortisation	15,288	12,099
Travel and communication costs	4,075	5,250
Advertising and stock certificate fee	1,291	2,975
Technical development expenditure	2,964	1,774
Other expenses	1,319	5,250
Total	85,082	147,402

19. Investment income

Investment income by projects

	For the Period from 1 January to 30 June 2020	For the Period from 1 January to 30 June 2019
Income from long-term equity investment under cost method	629,072	1,546,978
Income earned during the holding period of other equity investments	14,300	5,000
Disposal of derivative assets/liabilities gains or losses	(8,899)	(12,461)
Total	634,473	1,539,517

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

20. Non-operating expenses

	For the Period from 1 January to 30 June 2020	For the Period from 1 January to 30 June 2019
Claims expenses	–	–
Guarantee losses	–	–
Others	–	2
Total	–	2

21. Income tax credits

	For the Period from 1 January to 30 June 2020	For the Period from 1 January to 30 June 2019
Current income tax calculated based on tax law and related regulations	–	–
Deferred income tax	12,243	4,715
Total	12,243	4,715

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 2020	For the Period from 1 January to 30 June 2019
Profit before income tax	746,852	1,477,038
Income tax expenses calculated at applicable tax rates	186,713	369,260
Expenses not deductible for tax purposes	359	408
The tax effect of the current year's loss of unrecognized deferred income tax assets	–	23,512
Deductible losses in previously unrecognized deferred income tax assets	(13,477)	–
Income not subject to tax	(160,843)	(387,995)
Tax impact on unrecognized temporary differences in deferred income tax assets	(509)	(470)
Income tax expenses	12,243	4,715

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

22. 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 2020	For the Period from 1 January to 30 June 2019
Net profit	734,609	1,472,323
Add: Impairment provision for assets	–	–
Depreciation of fixed assets	7,416	7,253
Amortisation of intangible assets	4,445	129
Amortisation of long-term prepaid expenses	3,427	4,717
Amortisation of deferred income	(2,036)	(1,880)
(Profits)/losses on disposal of fixed assets	(300)	–
Gains on fair value changes	1,027	339
Financial expenses	(101,866)	40,402
Investment income	(634,473)	(1,539,517)
Decrease in deferred tax assets	12,243	4,715
Increase in operating receivables	(435,971)	(117,138)
Decrease in operating payables	(124,211)	(408,728)
Net cash flows from operating activities	(535,690)	(537,385)

(b) Net change of cash and cash equivalents:

	For the Period from 1 January to 30 June 2020	For the Period from 1 January to 30 June 2019
Cash and cash equivalents at the end of the year	1,338,097	981,290
Less: cash and cash equivalents at the beginning of the year	452,966	721,395
Net increase/(decrease) of cash and cash equivalents	885,131	259,895

(2) Composition of cash and cash equivalents

	30 June 2020	30 June 2019
I. Cash		
Including: Cash at bank that can be liquidated at any time on demand	1,338,097	981,290
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	1,338,097	981,290

Note: Aforesaid "Cash at bank and on hand" excluded restricted cash.

Supplementary Information

For the period started from 1 January and ended 30 June 2020
(All amounts in RMB'000 unless otherwise stated)
(English Translation for Reference Only)

I. STATEMENT OF NON-RECURRING PROFIT OR LOSS

	For the Period from 1 January to 30 June 2020	For the Period from 1 January to 30 June 2019
(Losses)/income from disposal of non-current assets	102,983	49,510
Government grants recognized in profit or loss for the current period	358,619	428,719
Gains or losses from changes in fair value arising from holding financial assets held for trading, and investments gains arising from disposal of other equity instrument investments, other debt investments and other non-current financial assets and gains or losses from changes in fair value of investment properties subsequently measured at fair value, except for the effective hedging activities related to the Group's ordinary activities	(340,672)	(157,566)
Income from disposal of long-term equity investment	66,577	18,527
Other non-operating income and expenses other than the above	59,632	126,947
Effect of income tax	(39,469)	(73,165)
Effect of minority interests (after tax)	(154,202)	(163,340)
Total	53,468	229,632

Note: Aforesaid non-recurring profit or loss items 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.

II. 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 2020	For the Period from 1 January to 30 June 2019	For the Period from 1 January to 30 June 2020	For the Period from 1 January to 30 June 2019	For the Period from 1 January to 30 June 2020	For the Period from 1 January to 30 June 2019
Net profit attributable to ordinary shareholders of the Company	(0.86%)	1.70%	(0.0841)	0.1618	(0.0841)	0.1604
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit or loss	(1.02%)	1.02%	(0.0991)	0.0977	(0.0991)	0.0964

Chapter XII Documents Available for Inspection

- I. The original copies of the 2020 Interim Report of the Company 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 2020 prepared under CASBE duly signed and under the seal of the legal representative of the Company, the person in charge of accounting affairs, and head of the accounting department (chief financial officer).
- III. The original copies of the documents and announcements of the Company published in the newspaper stipulated by the CSRC during the Reporting Period.

Wang Hong

Chairman

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

August 2020

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Driving new value Moving the world

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