

CIMC 中集

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

2021

INTERIM REPORT



Important Notice

The 2021 interim report (hereinafter referred to as this "Report" or the "2021 Interim Report") has been considered and approved at the 21st meeting of the ninth session of the Board of the Company in 2021. All Directors have attended the meeting to consider and approve this Report and the meeting was held as an on-site + web meeting, where one of the Directors, Mr. HU Xianfu authorized Mr. DENG Weidong to attend the meeting and exercise voting rights on his behalf.

The Board, the Supervisory Committee and the Directors, Supervisors and senior management of the Company warrant that this Report is true, accurate and complete and does not contain any misrepresentations, misleading statements or material omissions and individually and collectively take legal responsibility.

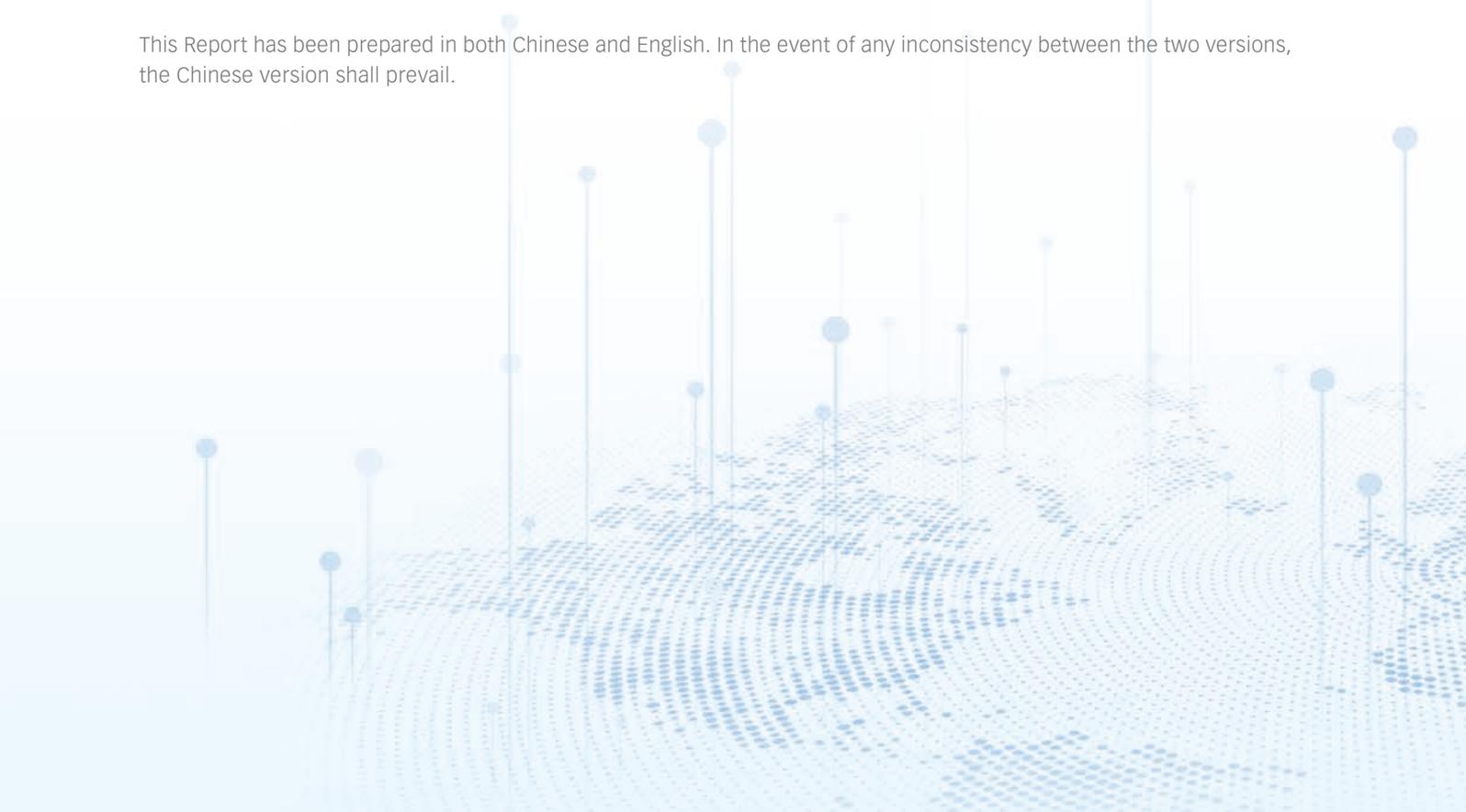
The financial statements of the Group have been prepared in accordance with China Accounting Standards for Business Enterprises ("CASBE"). The interim financial statements of the Group and notes thereto for the six months starting from 1 January 2021 and ended on 30 June 2021 (hereinafter referred to as the "2021 Interim Financial Report") prepared in accordance with CASBE in this Report have not been audited.

Mr. MAI Boliang, person-in-charge of the Company, Chairman of the Board and CEO, and Mr. ZENG Han, Chief Financial Officer, person-in-charge of accounting affairs and head of the accounting department (accounting officer), hereby warrant the truthfulness, accuracy and completeness of this Report and the 2021 Interim Financial Report.

The Company does not intend to distribute any interim cash dividend, issue bonus shares or convert shares from capital reserve into share capital for the six months ended 30 June 2021 (six months ended 30 June 2020: Nil).

The forward-looking statements in this Report regarding future plans and development strategies do not constitute a material commitment by the Group to investors. Investors are advised to be fully aware of the risks involved, to understand the differences between plans, forecasts and commitments and to be aware of the 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.
“Trust Plan”	The trust plan set up under the Trust and Operation Scheme for Surplus Funds from the Profit Sharing Plan of CIMC (Draft), which was considered and approved at the annual general meeting of the Company on 1 June 2020.
“Articles of Association”	The Articles of China International Marine Containers (Group) Co., Ltd.
“Board”	The Board of the Company.
“Shenzhen Capital Group”	Shenzhen Capital Holdings Co., Ltd., a state-owned enterprise established in the PRC under direct control of the State-owned Assets Supervision and Administration Commission of the People’s Government of Shenzhen Municipal, which is the largest Shareholder of the Company.
“CASBE”	Accounting Standards for Business Enterprises – Basic Standard and 42 Specific Accounting Standards, and application guidance and interpretations to Accounting Standards for Business Enterprises and other related regulations issued by the Ministry of Finance of the PRC.
“CIMC TianDa”	CIMC-TianDa Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability in 2002 and a holding subsidiary of the Company. Its shares were listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 445), and on 25 January 2021, the listing of the shares of CIMC TianDa on the Hong Kong Stock Exchange was officially withdrawn after privatisation by way of a scheme of arrangement.
“China Merchants Group” or “CMG”	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 second largest Shareholder of the Company as at the date of this Report.
“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” or “Group”	The Company and its subsidiaries.

DEFINITIONS

“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 holding subsidiary of the Company.
“CIMC Finance Company”	CIMC Finance Co., Ltd., a company incorporated in the PRC in 2010 and a holding subsidiary of the Company.
“CIMC Financial Leasing Company”	CIMC Financial Leasing Co., Ltd., a company incorporated in the PRC in 2007 and a holding 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 holding subsidiary of the Company.
“CIMC Raffles”	CIMC Raffles Offshore (Singapore) Limited, a company incorporated in Singapore with limited liability in 1994 and a holding subsidiary of the Company.
“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 in 1998.
“CIMC Vehicles”	CIMC Vehicles (Group) Co., Ltd. (中集車輛(集團)股份有限公司), a company incorporated in the PRC in 1996, the shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 1839) and the ChiNext Market of Shenzhen Stock Exchange (stock code: 301039), and a holding 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.
“Rules of Procedures for the Board”	The Rules of Procedures for the Board of China International Marine Containers (Group) Co., Ltd.
“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.
“Ziegler”	Albert Ziegler GmbH, a company incorporated in Germany and a holding subsidiary of the Company.
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited.

DEFINITIONS

“Rules of Procedure for the General Meetings”	The Rules of Procedure for the General Meetings of China International Marine Containers (Group) Co., Ltd.
“Model Code”	The Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Hong Kong Listing Rules.
“Southern CIMC”	Shenzhen Southern CIMC Containers Manufacture Co., Ltd., a company incorporated in the PRC in 1995 and a holding subsidiary of the Company.
“Rules of Procedure for the Supervisory Committee”	The Rules of Procedure for the Supervisory Committee of China International Marine Containers (Group) Co., Ltd.
“Reporting Period” or “Period”	the six months from 1 January 2021 to 30 June 2021.
“Shareholder(s)”	The holder(s) of A share(s) and H share(s) of the Company.
“Shenzhen Stock Exchange”	The Shenzhen Stock Exchange.
“Supervisor(s)”	The supervisor(s) of the Company.
“Supervisory Committee”	The Supervisory Committee 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; 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 600–3,600m. 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:	Mai Boliang
Authorised Representatives:	Mai Boliang, Wu Sanqiang
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/ Joint Company Secretary:	Wu Sanqiang
Contact Address:	CIMC R&D Centre, 2 Gangwan Avenue, Shekou, Nanshan District, Shenzhen, Guangdong, PRC (Postal code: 518067)
Contact Telephone:	(86) 755-2669 1130
Facsimile:	(86) 755-2682 6579
Email Address:	ir@cimc.com
Representative of Securities Affairs/ Joint Company Secretary:	He Linying
Contact Address:	CIMC R&D Centre, 2 Gangwan Avenue, Shekou, Nanshan District, Shenzhen, Guangdong, PRC (Postal code: 518067)
Contact Telephone:	(86) 755-2680 2258
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 previous years by the Company

Yes No

Unit: RMB thousand

Consolidated income statement items	January –	January –	Changes from
	June 2021 (unaudited)	June 2020 (unaudited)	the same period of the previous year to the Reporting Period (%)
Revenue	73,184,549	39,431,807	85.60%
Operating profit	6,889,375	588,681	1070.31%
Profit before income tax	6,859,213	641,350	969.50%
Income tax expense	1,813,717	399,132	354.42%
Net profit	5,045,496	242,218	1983.04%
Net profit/(loss) attributable to Shareholders and other equity holders of the Company	4,297,459	(182,797)	2450.95%
Profit or loss attributable to minority Shareholders	748,037	425,015	76.00%
Net profit/(loss) attributable to Shareholders and other equity holders of the Company after deducting non-recurring profit or loss	3,648,549	(236,265)	1644.26%

Unit: RMB thousand

Consolidated balance sheet items	30 June	31 December	Changes from
	2021 (unaudited)	2020 (audited)	the end of previous year to the end of the Reporting Period (%)
Total current assets	78,578,511	67,141,741	17.03%
Total non-current assets	78,857,282	79,069,770	(0.27%)
Total assets	157,435,793	146,211,511	7.68%
Total current liabilities	67,897,455	60,895,028	11.50%
Total non-current liabilities	32,326,397	31,462,639	2.75%
Total liabilities	100,223,852	92,357,667	8.52%
Total equity attributable to Shareholders	57,211,941	53,853,844	6.24%
Equity attributable to Shareholders and other equity holders of the Company	46,896,989	44,017,516	6.54%
Minority interests	10,314,952	9,836,328	4.87%

Chapter II Summary of Accounting Data and Financial Indicators

Unit: RMB thousand

Consolidated cash flow statement items	January –	January –	Changes from
	June 2021	June 2020	the same period
	(unaudited)	(unaudited)	of the previous
			year to the
			Reporting Period
			(%)
Net cash flows from operating activities	6,261,059	2,242,911	179.15%
Net cash flows from investing activities	(2,010,629)	(885,872)	(126.97%)
Net cash flows from financing activities	(3,202,638)	561,330	(670.54%)

Key Financial Indicators

	January –	January –	Changes from
	June 2021	June 2020	the same period
	(unaudited)	(unaudited)	of the previous
			year to the
			Reporting Period
			(%)
Basic earnings per share attributable to shareholders of the Company (RMB)	1.1673	(0.0841)	1487.99%
Diluted earnings per share attributable to shareholders of the Company (RMB)	1.1670	(0.0841)	1487.63%
Weighted average return on net assets (%)	10.09%	(0.86%)	10.95%
Weighted average return on net assets after deducting non-recurring profit or loss (%)	8.52%	(1.02%)	9.54%
Net cash flows from operating activities per share (RMB)	1.74	0.63	176.19%

	30 June	31 December	Changes from
	2021	2020	the end of
	(unaudited)	(audited)	previous year to
			the end of the
			Reporting Period
			(%)
Net assets per share attributable to shareholders and other equity holders of the Company (RMB) (Total shares based on ordinary shares outstanding at the end of the period)	13.05	12.24	6.62%

Chapter II Summary of Accounting Data and Financial Indicators

The total share capital of the Company as of the trading day preceding the date of disclosure:

The total share capital of the Company as of the trading day preceding the date of disclosure (shares)	3,595,013,590
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Fully diluted earnings per share based on the latest share capital

Dividends paid for preferred shares	-
Interests paid for perpetual bonds (RMB thousand)	1,311
Fully diluted earnings per share based on the latest share capital (RMB/share) (note)	1.1673

Note: The calculation formula of "Fully diluted earnings per share based on the latest share capital (RMB/share)" is: (net profit attributable to the Company - interests on perpetual bonds)/latest number of ordinary shares.

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

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

Applicable Not applicable

There was no difference between the net profits and net assets of the Company disclosed in accordance with international accounting standards and CASBE in the financial report during the Reporting Period.

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

Applicable Not applicable

There was no difference between the net profits and net assets of the Company disclosed in accordance with foreign accounting standards and CASBE in the financial report 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

Items	January – June 2021 (unaudited)
Gains on disposal of non-current assets	55,398
Government grants recognised in profit or loss for the current period	251,849
Gains or losses from changes in fair value arising from holding financial assets held for trading, and investment gains arising from disposal of investments in other equity instruments, 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	640,635
Net gains from disposal of long-term equity investment	12,625
Other non-operating income and expenses other than the above items	34,968
Effect of income tax	(199,103)
Effect of minority interests (after tax)	(147,462)
Total	648,910

Note: Aforesaid non-recurring profit or loss items (other than the effect of minority interests (after tax)) were all 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 the non-recurring profit or loss items 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 its industry cluster mainly covers logistics and energy fields. In the logistics field, the Group still adheres to taking container manufacturing business as its core business, based on which to develop road transportation vehicles business, airport facilities and logistics equipment/fire safety and rescue equipment business and to a lesser extent, logistics services business and recycled load business providing products and services in professional field of logistics; in the energy field, the Group is principally engaged in energy/chemical/liquid food equipment business and offshore engineering business; meanwhile, the Group also continuously develops emerging industries and has finance and asset management business that serves the Group itself.

Currently, the Group is principally engaged in, among other things, 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, automated logistics system and intelligent parking system and relevant services. The multi-dimensional industry cluster of the Group aims to provide the logistics and energy industries with high quality and reliable equipment and services, provide the Shareholders and employees of the Company with good returns and create sustainable values for the society.

According to the Annual Report on China Container Industry and Intermodal Development 2020 and the Global Container Terminal Operators Annual Review and Forecast 2021/22 issued by Drewry, the Group is ranked No. 1 in the world in terms of production and sales of standard dry containers, reefer containers, and special-purpose containers; according to the 2021 Global Tank Container Fleet Survey issued by the International Tank Container Organisation, the production of tank containers of the Group ranked No. 1 in the world; according to the 2020 Top Global OEM Ranking List for Semi-trailer Manufacturers published by Global Trailer, CIMC Vehicles, a subsidiary of the Group, was the world's No. 1 semi-trailer manufacturer in terms of production volume; CIMC TianDa, a subsidiary of the Group, is one of the world's three largest passenger boarding bridge manufacturers; the Group is also one of the high-end offshore engineering equipment enterprises in China.



**One of the leading
high-end offshore
engineering equipment
enterprises in China**



**No. 1 semi-trailer
manufacturer in the world
in terms of sales volume**



**Production and
sales of tank containers
ranking No.1 globally**



**Production and sales of
standard dry containers,
reefer containers,
and special-purpose containers
ranking No.1 globally**

Chapter III Report of the Board

II. REVIEW OF THE PRINCIPAL BUSINESSES DURING THE REPORTING PERIOD

1. Overview

During the Reporting Period, the Group's revenue amounted to RMB73,184.549 million (same period in 2020: RMB39,431.807 million), representing a year-on-year increase of 85.60%. During the Reporting Period, the Group's net profit attributable to shareholders and other equity holders of the Company amounted to RMB4,297.459 million (same period in 2020: net loss amounted to RMB182.797 million), achieving a turnaround from loss to profit as compared with the same period in 2020. Among the principal businesses, revenues from container manufacturing business, road transportation vehicles business, energy/chemical/liquid food equipment business, logistics services business and recycled load business recorded significant growth; revenues from airport facilities and logistics equipment/fire safety and rescue equipment business and offshore engineering business maintained steady growth.

During the Reporting Period, the products and businesses contributing 10% or more to the Group's revenue included container manufacturing business, road transportation vehicles business, energy, chemical and liquid food equipment business and logistics services business.

Chapter III Report of the Board

2. Review of Operations of Major Business Segments

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.

(I) In logistics field:

- *The Group adheres to taking container manufacturing business as our core business*



The Group's container manufacturing business mainly consists of standard dry containers, standard 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-ft containers, European pallet wide containers, bulk containers, special-purpose reefer containers, flatracks and other products.

In the first half of 2021, the global merchandise trade showed a strong recovery, which has led to continuous and rapid growth in the market for containers. Meanwhile, the normal congestion in the global ports and supply chain as a result of the epidemic and the Suez Canal obstruction and the blockage of Yantian Port in the first half of the year have led to a continuous shortage in the container market in terms of cargo space and containers. To resolve the tight container supply in the market and meet the demand for containers of China's foreign trade exports, the Group intensified its efforts on the container manufacturing business, improved production efficiency and fully released production capacity, trying its best to ensure the supply of new containers. With the joint efforts of the Group and industrial peers, the monthly output of new containers in the industry has been breaking new highs. With the continuous delivery of new containers, the tight container supply has been alleviated to a certain extent.

Meanwhile, affected by the continuous strong demand for containers and the hike in raw material prices resulted from rising commodity prices, the price of new containers also increased significantly in the first half of the year.

As a result, during the Reporting Period, the production and sales volume of the Group's containers reached a record high as compared to the same periods of previous years, and the revenue and net profit of the container business also recorded significant increases as compared with the same period in 2020. During the Reporting Period, the accumulated sales volume of ordinary dry containers of the Group reached 1,145,500 TEUs (same period in 2020: 358,300 TEUs), representing a year-on-year increase of 219.70%; the accumulated sales volume of reefer containers reached 94,500 TEUs (same period in 2020: 53,600 TEUs), representing a year-on-year increase of 76.31%; the container manufacturing business of the Group recorded a revenue of RMB27,450.809 million (same period in 2020: RMB8,448.783 million), representing a year-on-year increase of 224.91%, and a net profit of RMB4,393.882 million (same period in 2020: RMB238.928 million), representing a year-on-year increase of 1,739%.

Chapter III Report of the Board

- *Expand the road transportation vehicles business*

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 include (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) truck bodies for domestic specialty vehicles, comprising urban muck truck bodies, cement mixer truck bodies and fully-assembled vehicles; and (3) refrigerated van bodies products.

In the first half of 2021, in terms of the global semi-trailers market, China's logistics operations saw steady recovery with increasing demand for logistics vehicles. The lightweight, intelligent and high quality development trend of semi-trailers accelerated the innovation of the industry as "peaking carbon emissions and carbon neutrality" has been upgraded to a national strategy. With the recovery of overseas logistics industry, demand for overseas semi-trailer continued to pick up. In China's specialty vehicle market, the domestic demand for specialty vehicles maintained strong due to the improvement of China's transportation network, the progress of rural revitalization and the continuous growth of infrastructure investment. As for the refrigerated vans market in China, there was a continued rise in the market demand for refrigerated van bodies with the implementation of the standards for food cold chain logistics in China, the rapid development of urban and rural cold chain logistics facilities and improving development environment of urban logistics delivery.

During the Reporting Period, 81,628 sets (same period in 2020: 51,019 sets) semi-trailers of various types were sold around the world, and 41,661 sets (same period in 2020: 24,580 sets) truck bodies for specialty vehicles and 3,294 sets (same period in 2020: 2,345 sets) refrigerated van bodies were sold in China by CIMC Vehicles. The total revenue was RMB17,711.844 million (same period in 2020: RMB11,190.519 million), representing a year-on-year increase of 58.28%; the net profit realised was RMB760.650 million (same period in 2020: RMB698.246 million), representing a year-on-year increase of 8.94%.

In terms of the domestic market, (1) supported by the integration of the semi-trailer industry, CIMC Vehicles recorded rapid growth in its main products such as container chassis trailers, van semi-trailers for e-commerce distribution, refrigerated van semi-trailers and tank semi-trailers, and there was a significant increase in the revenue from domestic semi-trailer business; (2) CIMC Vehicles commenced phase II of the "Tianqi" project to carry out the automatic and intelligent upgrade of production lines, and actively joined hands with leading heavy truck manufacturing companies to drive cement mixers and urban dump truck bodies to move toward high-end manufacturing. During the Reporting Period, the revenue from cement mixer truck bodies and urban dump truck bodies both recorded a significant increase year-on-year; (3) leveraging on the development opportunities in the lightweight transport van market, CIMC Vehicles released the brand of "Tai Zi Jie (太字節)", which led the development trend of compliant refrigerated van bodies products with modular product design and the latest generation of dual-mode foam technology with independent intellectual property rights. There was a significant increase in the revenue of CIMC Vehicles from the domestic market, however, as affected by the sharp rise in commodity and raw material prices, the gross profit margin in the domestic market recorded a year-on-year decrease.

In terms of the overseas market, (1) there was a sharp increase in the recent demand for e-commerce logistics due to the release of consumer demand, which lead to a surge in orders for van semi-trailers and refrigerated semi-trailers in the US market, therefore, CIMC Vehicles recorded an increase in revenue from the semi-trailer business in the North American market; (2) CIMC Vehicles optimized the production lines of "lighthouse" factories in the European market by putting more efforts on the upgrade of production lines and increasing investments therein, optimized production capacity layout and enhanced its share in the local market, thus achieving growth in both revenue and gross margin in the European market.

Chapter III Report of the Board

- *Expand the airport facilities and logistics equipment, fire safety and rescue equipment business*



Through its subsidiary CIMC-TianDa, the Group is engaged in the business of airport and logistics equipment, fire safety and rescue equipment, which mainly includes airport equipment such as passenger boarding bridges and airport ground support equipment, and logistics equipment such as airport baggage handling systems, intelligent storage and transportation systems. Meanwhile, the Group promoted the expansion of its own business into the integrated fire safety and rescue equipment market by means of independent research and development.

During the Reporting Period, the airport facilities and logistics equipment, fire safety and rescue equipment business of the Group recorded a revenue of RMB2,833.005 million (same period in 2020: RMB2,190.809 million), representing a year-on-year increase of 29.31%, and a net profit of RMB179.593 million (same period in 2020: RMB78.474 million), representing a year-on-year increase of 128.86%.

CIMC TianDa recorded a growth in revenue during the Reporting Period, which was mainly due to: (1) The airport facilities and logistics business: in terms of airport facilities equipment, benefited from the successful completion of the Chengdu project, the revenue and profit of the boarding bridges and bridge mounted equipment business recorded an increase during the period as compared with the same period last year; in terms of logistics equipment, seizing the opportunities brought by the significant growth in demands for logistics systems and equipment due to the rapid development of the e-commerce logistics industry in China, the logistics equipment business recorded a considerable increase in revenue; (2) The fire and rescue equipment business: The supply chain problem caused by the epidemic last year affected the production and sales of integrated fire safety and rescue equipment and other equipment, and during the Reporting Period, the domestic business was improved as the supply chain returned to normal, however, the overall growth of the business was dragged down by the resurgence of the epidemic in overseas regions.

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- *Leveraging the logistics services business*



The logistics services business of the Group is committed to becoming the leader characterized by “equipment + service” in multimodal transport industry in the PRC, focusing on the multimodal transport network layout covering major domestic seaports, Yangtze River ports, railway hub stations and major international routes. By conducting businesses of combined container transport, professional logistics, station operation and ecological support, the Group endeavors to build a multimodal transport development model combining containers, goods and yards with railway stations as the foundation, and cargo control as the core.

In the first half of 2021, in terms of trade, international trade in goods was in an active stage and China’s foreign trade exports continued to recover, resulting in a strong demand for international transportation and as a result, the logistics service business saw a positive prospect in general. In terms of policy, the Ministry of Transport issued the 14th Five-Year Plan to promote the integrated development of various modes of transport and speed up the construction of a country with strong transportation network. In terms of industry dynamics, as the price of sea freight continued to fluctuate within a high range, the overall demand for rail combined transport and road combined transport has increased significantly, bringing positive impact on the development of multimodal transport business.

During the Reporting Period, the logistics services business of the Group realised a revenue of RMB9,925.645 million (same period in 2020: RMB4,451.534 million), representing a year-on-year growth of 122.97%, and recorded a net profit of RMB165.921 million (same period in 2020: RMB232.089 million), representing a year-on-year decrease of 28.51%, which was mainly due to the gain arising from the transfer of equity interests to the subsidiaries of the Group during the same period of the previous year.

In the first half of 2021, as for the logistics services business, the Group continued to increase its investment in areas such as the development of the passage network of multimodal transport, core resource control and market expansion, and maintained its efforts in professional logistics to improve business quality constantly and provide industry customers with professional logistics solutions. Meanwhile, the Group actively explored new innovative business modes to enrich business forms and enhance efficiency and profitability. As to combined container multimodal transport business, the cross-border multimodal transportation business is booming. Route business in the Middle East and South America has grown rapidly. Intermodal transport services such as China-Europe Railway Express and sea-rail combined transport have developed rapidly. In the first half of the year, the volume of freight trains increased significantly year-on-year; in terms of professional logistics business, the Group vigorously developed cold chain logistics services, explored the field of energy and chemical logistics, and strengthened project logistics service capabilities. The station operation business has recovered from last year and the overall import and export container volume recorded an increase. The ecological support business has remained stable.

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- *Rely on the recycled load business as the supplementary to provide the modernized transportation and logistics with first-class products and services*



The Group's recycled load business focuses on providing customers with comprehensive solutions for recycling packaging instead of disposable packaging to facilitate carbon neutral. At present, it mainly provides comprehensive solutions for R&D and manufacturing, leasing operations and packaging of professional recycled load for the automotive, liquid chemical, food, rubber and bulk commodities.

In the first half of 2021, due to the impact of the switch from the "China V" to "China VI" vehicle emission standards for commercial vehicles, and the leasing demand for recycled load for the parts and components of commercial vehicle was released earlier, there was an increase in the demand for recycled load for new energy battery in the second quarter. During the Reporting Period, the recycled load business of the Group realised a revenue of RMB2,626.783 million (same period in 2020: RMB1,286.512 million), representing a year-on-year increase of 104.18%, and recorded a net profit of RMB228.950 million (same period in 2020: net loss of RMB740,000), recording a turnover from loss to profit.

During the Reporting Period, the Group's recycled load business is as follows: (1) the load research, development and manufacturing business recorded a slight growth as compared with the same period last year. The load segment continued to enhance its research and design of recycled load for new energy power battery and applied for a number of product patents, and its new products were widely recognized by customers. From the second quarter, the demand for recycled load for new energy power battery increased, driving the growth of the research, development and manufacturing of recycled load business. (2) The leasing operation business grew steadily. The load segment put more efforts on business expansion. On the one hand, it continued to cultivate existing customers and encouraged them to increase the proportion of recycled packaging instead of disposable packaging; on the other hand, it expanded the recycled load leasing business in other industries. The leasing demand for recycled load for automobile parts and components may decline to a certain extent in the second half of the year due to the early release of the demand for recycled load for automobile parts and components, and the leasing operation business will maintain stable development from a full-year perspective. (3) The packaging integrated solutions business is still at an early stage of development. In order to meet the needs of customers for supply chain management, help customers reduce supply chain costs in general, the load segment gradually provide packaging integrated solutions for bulk commodity customers.

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(II) In Energy field:

- *On the one hand, carry out energy, chemical and liquid food equipment business based on onshore resources*



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 RMB8,314.992 million (same period in 2020: RMB5,797.777 million), representing a year-on-year increase of 43.42%; the net profit amounted to RMB347.901 million (same period in 2020: RMB156.838 million), representing a year-on-year increase of 121.82%. Among the three major business segments of CIMC Enric, a subsidiary of the Group, the clean energy business recorded a revenue of RMB4,452.048 million (same period in 2020: RMB2,993.243 million), representing a year-on-year increase of 48.74%; the chemical environment business recorded a revenue of RMB1,523.254 million (same period in 2020: RMB1,072.219 million), representing a year-on-year increase of 42.07%; the liquid food business recorded a revenue of RMB1,457.118 million (same period in 2020: RMB1,021.611 million), representing a year-on-year increase of 42.63%.

In the first half of 2021, the Group's energy, chemical and liquid food equipment business captured the opportunities of industry rebound and achieved rapid growth. (1) The clean energy segment: the Company mainly focused on the layout of natural gas-related businesses and hydrogen energy-related businesses. In terms of natural gas-related businesses, multiple favorable factors have driven sales growth in upstream storage and transportation facilities. ① Benefiting from the promotion by policies including the replacement of industrial coal with natural gas, the peak regulation and supply protection of urban gas and etc., the demand for LNG upstream storage and transportation increased rapidly. During the period, the Company recorded increases in the sales volume of LNG storage tanks, LNG tank containers and LNG transportation vehicles. However, due to economic decline, the sales volume of LNG cylinders used in LNG heavy-duty trucks recorded a year-on-year decrease in the first half of the year. ② Benefiting from the accelerated construction of LPG micro-pipeline networks and the recovery of the global oil market, the operating rate of oil refining enterprises has increased, leading to a relatively strong demand for LPG upstream storage and transportation related facilities. During the period, the Company recorded strong sales in LPG spherical tanks and other related facilities, LPG transportation vehicles and LPG transportation ships. ③ During the period, the hydrogen energy business developed steadily, and the Group established a joint venture with Hexagon Purus HK Holdco AS for the production of Type 4 on-board hydrogen cylinder and hydrogen supply systems, it is currently purchasing equipment while not yet put into production. (2) The chemical environment segment: in the first half of 2021, the demand for chemical tank containers was boosted by the rebound of global chemical and petrochemical industry, with orders on hand and new orders increasing significantly and revenue achieving a steady growth in the segment. During the period, the Company actively extended its after-market and intelligent product business in the segment, and incorporated CIMC Saiwei Technical Service Co., Ltd. (中集賽維技術服務有限公司) on 2 March 2021 to further standardize the after-market service operation and control system. (3) The liquid food segment: the segment's revenue in the first half of 2021 increased considerably due to the growth in new orders, as the onsite construction projects related to the segment could be conducted normally as a result of the mitigation of the COVID-19 epidemic. As of the end of June 2021, the orders on hand of the segment amounted to RMB12.25 billion, representing a year-on-year increase of 23%, and new orders amounted to RMB9.2 billion, representing a year-on-year increase of 51%.

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- On the other hand, carry out offshore engineering business relying on offshore resources



Under CIMC Raffles, a subsidiary of the Group, there are four research and development and design companies, three construction bases and six operation and management companies, which are operated under an integrated operating model covering design, procurement, manufacturing, construction, commission and operation. The offshore engineering business possesses the capability of mass and industrialised construction of high-end offshore engineering equipment and other special vessels under EPC model, making CIMC Raffles one of the leading EPC contractors of high-end offshore engineering equipment in China that has always participated in international competition in 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, floating production storage vessels (FPSO), liftboats, crane vessels, fall pipe vessels, offshore support vessels (OSV), ocean tugs, mid-to-high-end yachts and other vessels with its products covering a majority of offshore engineering products.

In the first half of 2021, with the gradual recovery of global economy, the international oil price basically reached the level of USD70/barrel after 2021, driving the recovery of the oil and gas offshore engineering industry and the market opportunities have not yet fully reached the pre-epidemic level despite of an increase.

During the Reporting Period, as new orders for offshore engineering entered the construction period successively, the offshore engineering business of the Group recorded a revenue of RMB2,818.678 million (same period in 2020: RMB2,527.837 million), representing a year-on-year increase of 11.51%, and a net loss of RMB680.365 million (same period in 2020: net loss of RMB889.767 million), representing a year-on-year decrease of 23.53%.

In the first half of 2021, in terms of new orders, CIMC Raffles newly acquired effective orders with a value of USD380 million, including three oil-and-gas modular projects with contract values of approximately USD320 million and other cage and special ship projects with contract values of approximately USD60 million, and the accumulated value of orders on hand reached USD960 million, of which non-oil and gas orders accounted for approximately 40%, basically maintaining a business portfolio and capacity layout with each of the oil and gas business and non-oil and gas business accounting for 50% and 50%. In respect of project construction and delivery: in January 2021, the "Shenhai Yihao" energy station, the world's first 100,000-ton deepwater semi-submersible production and oil storage platform, for which CIMC Raffles provided hull module construction and erection services, was delivered and set sail in Yantai, Shandong; in February, CIMC Raffles successfully delivered the euphausia superba cargo ship built for Aker Biomarine, a subsidiary of the Aker Group in Norway; in March, the hoisting dismantling work under the FPSO ultra-large oil tanker conversion contract, which was undertaken by CIMC Raffles for the first time, commenced; in April, "Dejian", the pile-driving rescue and salvage engineering vessel built for China Yantai Salvage Bureau of the Ministry of Transport, was successfully delivered and set sail; in May, "Huadian CIMC 01", the offshore engineering platform with 100% independent intellectual property rights, was applied for the first time in the field of offshore wind power, helping China to achieve the two carbon emissions targets "3060"; in June, "Zhonghaiyou 15", the jack-up drilling platform built by CIMC Raffles, was officially shipped to southern Shandong Peninsula for offshore wind power installation, and it is also the first wind power installation platform converted from a jack-up drilling platform that had been delivered in China.

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(III) Finance and Asset Management Business that serves the Group itself

The Group's finance and asset management business is devoted to establishing a financial service system which matches the Group's strategic positioning as a leading manufacturer in the world, enhancing the efficiency and effectiveness of the Group's offshore engineering assets and internal capital utilisation, and providing diversified financial service measures for the Group's strategic expansion, business model innovation, industrial structure optimisation and overall competitiveness enhancement.

During the Reporting Period, the Group's finance and asset management business achieved revenue of RMB1,052.589 million (same period in 2020: RMB1,134.684 million), representing a year-on-year decrease of 7.24%, and net profit of RMB189.128 million (same period in 2020: net profit of RMB178.750 million), representing a year-on-year increase of 5.81%. The main operating entities of the Group's finance and asset management business consist of CIMC Financial Leasing Company, CIMC Finance Company and offshore engineering asset management platform.

CIMC Financial Leasing Company: In the first half of 2021, CIMC Financial Leasing Company adhered to the strategic positioning of "integration of industry and finance" and further consolidated the operational and financial synergies in the Group's manufacturing segment in an effort to support the business development for the Group's manufacturing segment. It actively worked with the Group's strategic emerging business segments to promote innovative leasing models. From the aspect of risk, it stuck to the strategy of "quality first, strict risk control", introduced big data and other financial technology to enhance risk control efficiency and continuously optimized and improved the comprehensive risk management system. From the aspect of funds, it enhanced the cooperation relationship with external financial institutions, further promoted asset securitization and continuously developed a diversified financing system and financing capability. In the first half of 2021, the launching of new businesses met expectations and ensured safe and steady development.

CIMC Finance Company: In the first half of 2021, CIMC Finance Company continued to deepen the centralized management of the Group's funds. Benefiting from the gradual rebound of the Group's overall operation and the significant growth of operating cash flow, CIMC Finance Company achieved a significant increase in the level of capital concentration and the scale of deposits absorbed. CIMC Finance Company further explored the financial needs of the Group, its segments and members of the Group, effectively ensured the supply of funds to members of the Group, strived to expand the buyer's credit business and enhanced the comprehensive competitiveness of the Group. In the first half of the year, the total amount of various credit assets investment exceeded RMB3.7 billion. CIMC Finance Company actively responded to the policies for Guangdong-Hong Kong-Macao Greater Bay Area. In May this year, CIMC Finance Company was granted the pilot business qualification by the State Administration of Foreign Exchange for the development of integrated foreign and domestic currency capital pools for multinational companies, which enables the Group to carry out collection and payment as well as net settlement business for centralized foreign debts, centralized overseas lending and centralized recurring project funds. The Group has successfully implemented such business, which is conducive to the unified management for cross-border fund and further enriches the Group's cross-border fund pool business, and greatly enhances the convenience of the Group's internal cross-border fund operation. CIMC Finance Company has made great efforts to build up its special financial service products and achieved significant growth in its agency sale and settlement of foreign exchange business. In particular, the forward sale and settlement of foreign exchange business recorded a transaction volume of nearly USD1 billion, which has effectively improved the Group's foreign exchange risk management efficiency and reduced its forex trading cost.

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Offshore engineering asset operation and management business of CIMC: As at the end of June 2021, the offshore engineering asset operation and management business of the Group involved 17 offshore engineering assets in total, including two ultra-deepwater semi-submersible drilling platforms, three semi-submersible drilling platforms in severe sea conditions, three semi-submersible lifting/life support platforms, three 400-foot jack-up drilling platforms, five 300-foot jack-up drilling/service support platforms and one high-end yacht. In the first half of 2021, on the basis of consolidating the traditional oil and gas business, the Group's offshore engineering asset operation and management business actively explored offshore wind power business. (1) For asset operation, ten leases were in force, of which, eight were oil and gas projects and two were offshore wind power projects. The "Blue Whale No. 1" completed the drilling contract in the South China Sea in mid-April and returned to Yantai CIMC Raffles Wharf for maintenance in early May; the "Deepsea Yantai" continued to execute the drilling service contract with Statoil, a Norwegian national petroleum company and is expected to be awarded 3+5 wells contracts in the near future, extending the work-in-hand to the end of 2022; the "OOS Tiradentes" life support platform has been operating normally in the coast of Brazil; the "Caspian Driller" continued normal operation in the Tucuman area of the Caspian Sea despite the impact of the epidemic; the "Huadian CIMC 01" started to execute the offshore wind power operation contract at Shenquan offshore wind farm in Jieyang, Guangdong, realizing the first application of semi-submersible crane platform in large diameter single pile foundation construction in China; the first domestic wind power installation vessel converted from a jack-up drilling platform completed conversion and started to execute offshore wind power installation service contracts at the South Peninsula Wind Farm; several jack-up drilling platforms maintained normal operations in the Gulf of Mexico and the Bohai Bay. (2) For asset preservation, the Group successfully completed various warm stopping maintenance works, and strengthened spare parts management and cash flow management to effectively reduce capital pressure.

(IV) Innovative Businesses that highlight the advantage of CIMC

- *Modular Building Business*



CIMC Modular, a subsidiary of the Group, is engaged in the 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, apart from the original Grade A design construction qualification, CIMC Modular obtained the Class 2 general construction contracting qualification, which further strengthened its qualifications and capabilities.

Overseas markets: The modular building business cultivated the existing markets and further exploited new markets amid the COVID-19 epidemic. While continuously obtaining stable apartment orders from Sweden, the Group actively expanded to Nordic countries such as Germany and Norway and achieved obvious progress. The adoption of pre-fabricated design and production of permanent apartments in northern Europe is a major innovation in the industry.

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Mainland China market: The Group rode on the favorable national policies, actively promoted the box-type steel structure building system with “high assembly rate and green construction model”, vigorously developed the market and expanded the application scenarios. The first phase of the 1.5-stage enterprise port project in Jiangdong New District, Haikou, for which CIMC Modular designed and undertook the fabrication, transportation and installation of the modular construction part, was successfully completed on 31 March this year. The project innovatively used the box-type steel structure integrated building modular as the carrier, fully applying the concept of “green, technology and high efficiency” to the construction field, with only 70 days spent from the production and manufacturing of the building modulars to delivery, once again setting a new speed of CIMC Modular’s construction. At the same time, the Group actively responded to the hot needs for people’s livelihood such as “epidemic prevention”, constructed epidemic prevention and school projects at high speed and high-quality.

Hong Kong market in China: CIMC Modular has won the bid for the large-scale modular transitional housing project in Hong Kong, called United Court in Tung Tau Tsuen, Yuen Long, Hong Kong. The project has a gross floor area of 37,221 square meters, and will offer 1,800 houses in total. The project is another important achievement of CIMC Modular’s deep cultivation in the public transitional housing and public housing market in Hong Kong.

- *Cold Chain Business*



According to the statistics from the Cold Chain Logistics Committee of the China Federation of Logistics and Purchasing, from 2013 to 2019, the total amount of the cold chain logistics in China increased from RMB2.10 trillion to RMB6.11 trillion, with a compound growth rate of 19.5% for the six years, and the total demand for the cold chain logistics increased from 77 million tons to 233 million tons, with a compound growth rate of 20.3% for the six years. Food cold chain, medicine cold chain, chemical cold chain and electronic cold chain are the four major application scenarios of the cold chain logistics in China. As a high-end equipment manufacturer, the Group’s cold chain business mainly focused on the manufacturing of the cold chain equipment and the cold chain logistics services. The Group currently possesses a competitive advantage in the field of reefer containers and refrigerated vans, with the sales volume of reefer containers and refrigerated vans ranking at the forefront.

In terms of food cold chain and for equipment manufacturing, the Group’s portable cold store business focused on the first and last kilometer of domestic cold chain food consumption, acquired new customers to our fresh food e-commerce business on one hand, and launched pilot and promotional work on pre-cooling, quick-freezing and temporary storage on the other hand in the first half of the year, all resulting in significant business growth; for cold chain service, the cold chain logistics business of the Group has established the cold chain end-to-end service capability in Southeast Asia. The cold chain logistics cross-border transportation business is equipped with CIMC Unit Load’s recycling packaging, and cooperates with the durian packaging boxes and coconut packaging boxes independently developed by the Group, which effectively reduces the loss of fruits during transportation and greatly reduces the use of disposable cartons with green, environmentally friendly and fresh-keeping functions. The revenue of multimodal transport business of importing fruits under cross-border fresh food transportation achieved new high in the first half of this year. The Group has also independently built a relatively mature cold chain logistics information platform, combined with the usage of the Group’s own reefer containers and hardware tracking facilities, achieved temperature monitoring and remote adjustment in the course of food cold chain logistics, and ensured the food safety and traceability.

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In terms of medicine cold chain, the products developed by the Group in the early stage continue to be recognized by the market. The transportable deep-freezing (vaccine) box has broken through a variety of ultra-low temperature materials and processes as well as refrigeration technology and delivered in bulk.

In addition, the Group continued investment in the research and development of cold chain equipment in the first half of this year, set up the Cold Chain Technology Research Institute to develop products such as cold storage chillers, new energy refrigerated containers, temperature coupling boxes, self-sterilizing material materials and applications, steel belt machines and ultra-wide belt materials. The Group is committed to bringing fresher food to consumers by leveraging equipment innovation and technological driver.

- *Integrated Container Equipment Business*



In the first half of 2021, the integrated container equipment business continued to develop rapidly and established closer cooperation with customers who are industry leaders. Currently, the integrated energy equipment business focuses on four areas, namely new energy power transformation equipment, power generation equipment, electrochemical energy storage equipment and new energy charging equipment. Among them, new energy power transformation and energy storage equipment is the key business development direction for the container segment in the future. The integrated environmental protection equipment business primarily focuses on water treatment and solid waste transfer equipment, and the container segment plans to enter six market segments including village and town domestic wastewater treatment, river sewage interception and treatment and distributed water supply.

The integrated equipment business will continue to cultivate the two fields of energy and environmental protection in the second half of the year, deepen cooperation with customers who are leaders in energy and environmental protection fields, enhance the integration value and added value of products and actively explore new "container +" applications.

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III. FUTURE DEVELOPMENT AND OUTLOOK OF THE COMPANY

1. Macroeconomic Environment and Policies

In the second half of 2021, the development of the epidemic and the progress of vaccination are the direct factors that exert an impact on the future global economic recovery. Recently, Delta, the highly infectious coronavirus variant in India, spreads across the globe, posing uncertainties to the global economy recovery in the second half of 2021. The development of the Sino-US trade relationship remains complex and variable. In the second half of 2021, the domestic economy is expected to accelerate its progress of normalization with further enhancement in internal driving force of the PRC economy, the arrangement of medium-term and long-term development strategies, the implementation of projects as well as gradual improvement in the epidemic and the economic development.

2. Industry Development Trend and Market Outlook

(1) In the Logistics Field:

In respect of the container manufacturing business: According to the latest prediction made by CLARKSONS (a leading global industry analyst), the growth of global container trade in 2021 will reach approximately 6.3%. The container shipping market is expected to enter the peak season in the second half of 2021, and the demand for containers will continue its strong growth momentum. It is difficult to fundamentally resolve the global port congestion and supply chain imbalance under the impact of the epidemic. The continuous prosperous development of the container industry increase customers' willingness to purchase containers. Such factors are expected to result in sustained strong demand for containers in the second half of the year.

In respect of the road transportation vehicles business: Looking ahead to the second half of 2021, (1) with regard to the internal circular economy of the PRC, the certainty of semi-trailer business development has improved, and there are obvious opportunities for product upgrade and replacement; in terms of the external circular economy, stimulated by strong fiscal policies in the United States and Europe, overseas logistics and transportation and automobile manufacturing have recovered, the demand from overseas semi-trailer market is expected to be further improved. (2) The light-weight and smart truck body products for specialty vehicles have entered the window period for upgrading, driven by factors such as the "overloading" regulation, "win the war on keeping the skies blue (打赢蓝天保卫战)", the implementation of the national standard of limits for emissions from motor vehicles for the sixth stage, and the development trend towards new energy vehicles. (3) China has also completed its agricultural products market network, strengthened the weakness in cold chain facilities, implemented China's food cold chain logistics standards, and rapidly deployed urban and rural logistics facilities, resulting in continuous improvement in urban logistics delivery development environment and constant enhancement in the market demand for light refrigerated vehicles.

In respect of the airport facilities and logistics equipment, fire safety and rescue equipment business:

(1) The airport facilities and logistics equipment business: ① The airport facilities: in the second half of 2021, apart from the epidemic prevention and anti-epidemic work, it is expected that governments around the world will put more focus on the economy reopening and the resumption of personnel exchanges, bringing the global aviation industry towards recovery. However, as the epidemic is still severe in certain regions, resulting in uncertainties to the economic recovery in the second half of 2021, there are still uncertainties for the segment's overseas project business. As for the domestic market, based on the current orders on hand and the project tenders in the market, the results in the second half of the year is expected to be optimistic, yet it is necessary to carefully assess the impact of changes in the general environment on our operations; ② Logistics equipment: the domestic e-commerce business is expected to continue to develop in the second half of the year, which supports the improvement of the segment results, but the baggage logistics system projects in the overseas airports will be affected by the delays in the construction and acceptance progress due to recurring outbreak of the epidemic in certain regions; (2) Fire safety and rescue equipment business: the domestic fire safety and rescue industry is expected to develop stably in the second half of the year, but the overall results are expected to be affected by the unstable conditions in the overseas markets.

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In respect of the logistics services business: In the second half of 2021, with the introduction of policies to accelerate the development of the new business model in foreign trade, the implementation of the RCEP (Regional Comprehensive Economic Partnership) preferential policies boosted by various trade promotion authorities, the introduction of goals and plans for carbon neutrality and emission peak in respective cities, and the stable increase of numbers of trains of China-Europe Railway Express, which brings good opportunities for the development of logistics business and the multimodal transport 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 2021, the burden on import and export business in the PRC remains heavy, and there are still uncertainties in logistics business.

In respect of the recycled load business: In the second half of 2021, the Group's recycled load business will continue to grow steadily. Particularly, the demand for recycled load using new energy power batteries maintains a rapid development, and the research, development and manufacturing business for the recycled load is expected to grow to a certain extent compared with last year. However, as the demand for commercial vehicles in the first half of the year was released earlier and the impact brought by the shortage of vehicle chips, it is expected that the demand for the recycled load of commercial vehicle parts will decline to a certain extent in the second half of the year.

(2) In the Energy Industries Field:

In respect of the energy, chemical and liquid food equipment business: Looking ahead to the second half of 2021, with the normal control on the epidemic, the China's economy is expected to maintain a steady and sound development trend. Under the goal of achieving carbon neutrality and emission peak, and under the requirements of the construction of a modern energy system, energy utilisation reforms and clean and environmental protection policies have been frequently introduced in various regions. On the other hand, with the launch of the national carbon trading market, many coal-fired power enterprises will accelerate the pace of low-carbon transformation. As the lowest carbon and cleanest fossil energy, natural gas consumption is expected to maintain a steady growth. In the field of transportation application, at present, the switchover of China VI diesel heavy trucks has been postponed in many places, and it will take time to consume the inventory for China V diesel vehicles. However, as the country increases its efforts in energy conservation and emission reduction, new energy heavy trucks will be gradually promoted. Looking forward, the production, storage and transportation equipment of LNG and its terminal market are expected to continue to grow. In the field of clean water energy, in order to meet the requirements of the "Sulfur Limit" of the International Maritime Organization for the shipping industry, more and more shipowners have begun to consider refitting their existing fleets with clean energy power. Inland water shipping is also gradually promoting the application of clean energy, which is beneficial to small and medium LNG liquefied gas vessel market. For the chemical environment segment, the tank containers can be used in multimodal transport including waterway, land transport and railway and served as a smarter green logistics model. The use of tank containers will be further promoted, and its market vitality will maintain in the long run. On the other hand, due to the implementation of policies to relocate chemical logistics sites from cities to industrial parks and the tightened normalization within the industry, the use of chemical tank containers in the chemical logistics industries in the PRC will stably increase. In recent years, China's environmental protection policies have gradually become stricter, and the demand for disposal of hazardous waste has accelerated its growth, which continues to benefit the new environmental protection business in the segment. For the liquid food segment, we strive to explore new sectors including hard seltzer and Baijiu while consolidating the leading industry position in terms of brewing and distillation facilities, so as to promote income diversity. The consumption upgrade in the Chinese market and the intelligent renovation of the manufacturing equipment of Baijiu will bring development opportunities for the segment.

In respect of the offshore engineering business: The oil and gas and offshore engineering market is mainly affected by the international crude oil price, which shows long-term fluctuations. As the global epidemic control and economic situation gradually improved, the offshore engineering segments still have many opportunities, such as the FPSO business and the high-end ro-ro ship market. In the medium to long run, the 3060 target of carbon neutrality proposed by the PRC will bring major opportunities, allowing a rapid development for clean energy. Offshore wind power, hydrogen energy utilization, and offshore photovoltaic will form a huge industry scale. In the future, the Group will focus on principal growing businesses, including FPSO/module, offshore wind power and deep-sea fishery, significantly increase the proportion of revenue from non-oil and gas offshore business, and establish a product line layout to mitigate the impact of the oil and gas cycle fluctuations.

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(3) Finance and Asset Management Business:

CIMC Financial Leasing Company: In the second half of 2021, under the circumstances of the recurrent outbreak of COVID-19 around the world, tightened financial supervision in the PRC and the introduction of favourable national policies, the financial leasing industry faces both challenges and opportunities. CIMC Financial Leasing Company always adheres to the nature of leasing, dedicates to physical industries, integrates fund financing and asset financing, hence establishes its competitive advantages in professionalism and differentiation based on leased properties by relying on financial technology.

CIMC Finance Company: In the second half of 2021, the economy in the PRC will maintain a stable and progressive trend, and the uncertainties brought by changes in the external environment will be the biggest factor affecting the domestic economy. The cutting of reserve requirement ratio for all banks announced by the People's Bank of China indicates that the monetary policies will maintain stable but relatively loose, showing a feature of "tightened credit supervision, loosened monetary and financial policies".

CIMC's offshore engineering asset management business: in the second half of 2021, with stable yet rising international oil prices, the confidence of major oil companies in developing offshore oil and gas projects will be restored gradually. Further development will be seen in traditional dominant market areas such as the North Sea, the Gulf of Mexico and Brazil. At the same time, in emerging business areas such as offshore wind power and offshore cultural and tourism, the CIMC's offshore engineering asset management business will also leverage on its advantages in technologies, equipment and asset management to create more application scenarios for offshore engineering assets, and find new ways for the further development of the offshore engineering asset management business on the basis of enhancing upstream and downstream cooperation.

3. Overall Operation Targets and Initiatives for Main Business Segments

Adhering to the strategic theme of "stabilizing operation to achieve quality growth", the Group has developed its strategic planning for the next three years. The principal business of the Group will remain focused on the two major industries of logistics and energy, and its layout of emerging business will also focus on the two main fields of "smart logistics" and "clean energy". The Group will optimize its business portfolio constantly to improve the level of asset returns and pursue high-quality business development.

(1) In the Logistics Field:

In respect of the container manufacturing business: In the second half of 2021, in addition to carrying out the Dragon Program (龍騰計劃) and major technical reforms as originally scheduled, the Group's container manufacturing business will also invest more resources in the operation, continuously improve production efficiency, effectively ensure the full and sustainable realization of existing production capacity, and ensure container supply on a best effort basis, in order to fully grasp opportunities arising from the market situation brought about by global economic recovery, strong rebound and regional container shortages of the shipping industry in the post-epidemic era. While China is initiating a new development paradigm with "dual circulation", introducing the "14th Five-Year Plan", the carbon neutral plan, the rural revitalization strategy and the construction of "new infrastructure, new urbanization initiatives and major projects" in China, the Group's container manufacturing business will also actively participate in and strive to grasp the opportunities arising therefrom on incremental special container business and innovative business. In terms of the incremental special container business, we will accelerate expansion in key areas to further enhance the integration and added value of our products.

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In respect of the road transportation vehicles business: In terms of the global semi-trailer business, with the help of industry consolidation, CIMC Vehicles will strive for realizing quality growth of semi-trailer business in the PRC. Meanwhile, with the increasing certainty of the development of overseas semi-trailer business, CIMC is expected to achieve a challenging growth for oversea semi-trailer business as a result of the efficiency enhancement and cost reduction offered by lighthouse factories. CIMC Vehicles will further increase the domestic semi-trailer market share and gross margin, stabilize its sales volume in North America and Europe and increase gross margin, which will further expand the global leading position in the semi-trailer business; in terms of the truck bodies for specialty vehicles business in the PRC, the Group meets the needs of Original Equipment Manufacturers (OEMs) for product quality and delivery, expands the width and depth of co-development with heavy truck manufacturers, and continues to cooperate with companies engaged in intelligent and interconnected design of vehicle of the year, joint research and development and marketing, and product life cycle management, etc.; in terms of China's refrigerated van bodies business, based on the high-end manufacturing system, CIMC Vehicles' road transportation vehicles business will establish a strategic business division specializing in refrigerated van vehicles and refrigerated van bodies, and actively explore the development breakthrough of this business with a view to providing a source of driving force for the long-term development of the Group's road transportation vehicles business.

In respect of the airport facilities and logistics equipment, fire safety and rescue equipment business:

In the second half of 2021, (1) The airport facilities and logistics equipment business: ① The airport facilities: electrification and intelligence will continue to be the future trend of the airport facilities business. In the future, the Group will invest more resources in research and development of various new products, strengthen product life cycle management, improve service system to meet the needs of the customers around the world, expand its customer base and maintain the leading position in the global market of boarding bridge; ② The logistics equipment business: it will actively develop product targeting at promising industries, seize the opportunity of rapid development of promising industries, do well in project management, enhance profit margins, and strive for market share with innovative technology and quality; (2) The fire safety and rescue equipment business: the increasing modernization of cities, rapid development of oversized space buildings, super-high buildings and high fire risk industries, such as petroleum, chemicals and building materials, has led to a rapid increase in the number of flammable and explosive sites and more complexity of fires. In the future, the Group will actively introduce technologies at home and abroad, strengthen product research and development, actively participate in the trainings and disaster relief and rescue drills organized by local fire departments, deepen the cooperation with various fire departments, and expand business opportunities.

In respect of the logistics services business: In the second half of 2021, in the face of changes of internal and external environments, the logistics services business of the Group will remain committed to becoming the leader characterizing with "equipment + service" in multimodal transport industry in the PRC. Under the background of domestic and international dual circulation, the Group accelerates the development of its global network layout, and strives to seize the window period of rapid development of industry development. 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 realize high-speed and high-quality development of the overall business.

In respect of the recycled load business: In the second half of 2021, CIMC Unit Load will continue to increase product R&D and business expansion based on the domestic market. In terms of the recycled load R&D and manufacturing business: CIMC Unit Load will continue to increase the investment in R&D, comprehensively enhance recycled load products R&D and design capabilities of the R&D shared center, thus providing customers with comprehensive R&D and design solutions. In terms of the leasing operation and comprehensive packaging solutions business: CIMC Unit Load will accelerate the optimization of the digital leasing operation and management platform for recycled load to enhance the efficiency of leasing operation and management, and increase external cooperation by vigorously expanding the leasing operation and comprehensive solution business in other industries.

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(2) In the Energy Industries Field:

In respect of the energy, chemical and liquid food equipment business: In the second half of 2021, adhering to the main development path of its core business, namely “equipment manufacturing + engineering services + comprehensive solutions”, the clean energy segment of the Group’s energy, chemical and liquid food equipment business actively coordinates with national policies to facilitate the achievement of the dual-carbon goal by the multi-directional layout in the natural gas and hydrogen industry chain. The clean energy segment will focus on building the LNG full service chain and LPG full service chain, deepen its layout of hydrogen energy core business, and continuously adjust and optimize the high-voltage business chain with industrial gases, electronic gas and CNG, and seize new opportunities in the hydrogen energy storage, transportation and refueling equipment and application, the processing and application equipment for unconventional natural gas and the development of marine LNG application. While consolidating the tank equipment manufacturing business, the chemical environment segment will also actively strive to introduce intelligent features to its products, aiming to help customers enhance their operating efficiency and materialize intelligent logistics with the application of Internet of Things technology. In respect of environmental protection business, 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 waste treatment business. In addition, with its emphasis on two business dimensions of “resource utilization + eco-environmental services”, the segment will promote the large-scale, formalized and intensive development to realize a leapfrog development of the environmental protection business. The liquid food segment will continue to strengthen its leading position in the beer and distilled liquor markets, with the ambition of becoming a global leader in liquid food storage tank, processing equipment and turnkey project. The segment will closely monitor the market changes, review and adjust its development strategies in a timely manner, and expand its market share and enhance its position in the industry through organic growth or mergers and acquisitions.

In respect of the offshore engineering business: In the second half of 2021, the Group will continue to actively carry out business transformation and layout of the offshore engineering business, actively explore the introduction of strategic investors, focus on loss reduction, and implement profitability improvement plans. The Group plans to implement the following 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 engineering intelligent design platform.

(3) Finance and Asset Management Business:

The business of CIMC Financial Leasing Company: In the second half of 2021, CIMC Financial Leasing Company will continue to deepen the coordination of industry and finance, increase the financial support for the real economy, further propel the business upgrade and model innovation, and optimize the emerging business layout of recycled load and cold chain of the Group. Meanwhile, it will further improve and optimize the comprehensive risk management system, further explore the asset securitization model, develop a diversified financing system and financing capability, strengthen the operational efficiency and service capacity of mid and back offices, improve the standard of digital management and realize sustainable development.

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The business of CIMC Finance Company: In the second half of 2021, CIMC Finance Company will insist on taking transformation and upgrade as the core of strategic development, strengthen the construction of information system, integrate IT systems and financial services, continue to improve and optimize financial products and services, and provide differentiated and distinctive financial services for members. With the integration of industry and finance and facilitation of industry development, CIMC Finance Company will strive to serve as a financial “connector” and resource “optimizer”, thereby promoting the development of the Group with efficient and convenient financial services.

CIMC’s offshore engineering asset management business: In the second half of 2021, the offshore engineering asset management platforms of CIMC will continue to promote efficient operation and management, and facilitate potential capital cooperation.

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. 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. Developments including new industrial policies, tax policies and land policies, etc. that have a huge impact on business operations have resulted in uncertainties to the future development of industries. The main businesses of the Group, as part of the traditional manufacturing industries, will face certain policy adjustment risks in the coming years.

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

Fluctuations of financial market and foreign 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 RMB internationalization, and under the backdrop of constant volatility in the global financial market, the exchange rate of RMB against USD will fluctuate with increased frequency and volatility, thus making it more difficult for the Group to manage its foreign currencies and capitals.

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

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Employment and environmental protection pressure and risks: with demographic changes in China and gradual loss of demographic dividend, China's manufacturing industries see constantly soaring labour costs. Automation represented by robots is becoming one of the key directions for future upgrade 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.

Risks of fluctuations in price of main raw materials: raw materials account for a relatively high proportion of the cost structure of the Group's products. At the same time, the Group's major finished products are metal products and its raw materials include steel, aluminium and timber. Since the first half of this year, prices of raw material have fluctuated significantly due to the unbalanced supply and demand and monetary easing policies, which brings uncertainties to the Group's operating result.

COVID-19 related risks: The world was facing a more severe and complex economic situation as COVID-19 had swept the globe and Delta, the highly infectious coronavirus variant, further spread recently. Although COVID-19 is effectively contained in China currently, it further spreads in other countries and regions, and the development in other countries is subject to high uncertainty, all of which have a more complex impact on China's economy. In response to the 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 the 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

Significant Changes in the Main Assets

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

(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 vehicles business, energy/chemical/liquid food equipment business, offshore engineering business, logistics services business, heavy trucks business, airport facilities and logistics equipment/fire safety and rescue equipment, finance and asset management business, and other emerging industries, with its production bases spreading across Asia, Europe, North America and Australia, and its business network spanning major countries and regions around the world. In particular, the container business continued to take the lead in the industry worldwide, as well as road transportation vehicles, energy/chemical/liquid food equipment and offshore engineering businesses with strong competitive edges. The efficient implementation of business diversification and globalised deployment effectively offset the adverse impact from periodic fluctuations of the global market in recent years on the Group’s results.

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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. In response to the COVID-19 pandemic, the Group established the Group Decision-making Committee for the Special Period at the beginning of 2020, which has provided strong support to the implementation of the Group's risk control measures during the special period.

Lean Manufacturing Management Capabilities

Since 2007, the Group has continuously promoted the construction of lean ONE mode, building a relatively perfect lean manufacturing system, and expanded it into business and management fields such as market, research and development, technology, supply chain, finance, human resources, etc. to continuously enhance the core competitiveness of the Company through strengthening its lean management capabilities.

Integrated Resources and Ability to Achieve Collaborative Development

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

Technological Research and Development Capabilities and Intellectual Property Rights Protection

The Group always attaches great importance to technological research and development capabilities through: developing mid-to-long term development strategies to optimise R&D systems and platforms and accelerate the development of products and technologies as well as evolution of existing products to promote R&D of new products, technologies, processes and equipment, while constantly improving the mechanism for identifying, inspiring and promoting innovations to speed up the commercialisation of technological achievements. The technology centres of the Group are national-level enterprise technology centres, which have the National Energy Offshore Oil Drilling Platform Research and Development (Experiment) Center and the National Engineering Laboratory for General Assembly Research and Development in Offshore Engineering. The Group has established 47 group-level technology centres, 2 and 6 of which are at national and provincial level, respectively. By the end of June 2021, the Group had a total of 42 enterprises which were recognised as high-tech enterprises and 6 postdoctoral research centres. The Group's boarding bridges and freight semi-trailers were selected as single champion products by the MIIT, and Yantai Raffles, CIMC Safeway and QDCRC were selected as single champion demonstration enterprises by the MIIT.

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In the first half of 2021, a series of representative products which were developed and manufactured by the Group independently have led the equipment manufacturing and industrial development in China. These products include the world's largest LNG transport bunkering vessel, Asia's largest mass-produced deep-sea intelligent cage, China's first active temperature monitoring aviation container, the first domestic emergency fever clinic that adopts modular buildings and constructed following with permanent building standards, the world's highest-altitude Oasis Yundi intelligent three-dimensional garage, new aluminum alloy transport vehicles for flammable liquid, a new generation of refrigerated vans, a new generation of electric aviation food trucks, the new 72-meter aerial fire truck, the 42-meter multi-functional ladder fire trucks, the 900m³ LPG fuel tanks, the large-volume LNG vehicle battery and the modular fire station. In January 2021, the 100,000-ton "Shenhai Yihaio" energy station built by the Group marks a major breakthrough in the country's deepwater oil and gas field development capabilities and deepwater offshore engineering equipment construction standards, which is of great significance to enhance the country's capabilities for marine resource development, ensure national energy security and support the strategy of ocean power.

To consolidate and improve its business competitive advantages, the Group is implementing technology innovation and upgrade projects such as "Longteng (龍騰)", sophisticated manufacturing of semi-trailers through upgrading the product module, improving the "Light Tower" Plants, and specialised tank containers green flexibility "Light Tower" Plants on business segments including container, road transportation vehicle, and energy/chemical/liquid food equipment, respectively, while conducting prompt and efficient deployment of intellectual property rights protection to leading technological innovation achievements in relevant industries. The Group strengthened 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 the first half of 2021, the Group has applied for 195 patents (of which 81 are invention patents), with which, the Group is well-positioned to capitalise on its strong R&D and intellectual property rights protection capabilities to convert its leading technologies into competitive advantages. The "hard open top container and top cover spreader" project of Nantong CIMC Special Transportation Equipment Manufacture Co., Ltd. won the Silver Award of China Patent Award.

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 the Principal Businesses during the Reporting Period" under "Chapter III Report of the Board" in this Report.

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(II) Analysis of Principal Businesses

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

Unit: RMB thousand

	January to June 2021 (unaudited)	January to June 2020 (unaudited)	Change (%)	Reasons for the change
Revenue	73,184,549	39,431,807	85.60%	Mainly due to the significant increase in gains from container, vehicles, logistics, Energy, chemical and load business for the current period as compared with the same period last year, please refer to "II. Review of the Principal Businesses during the Reporting Period" under "Chapter III Report of the Board" in this Report for details.
Cost of sales	61,041,954	34,366,232	77.62%	Mainly due to the increase in cost of sales with the substantial increase in revenue for the current period.
General and administrative expenses	2,811,454	2,080,199	35.15%	Mainly due to an increase in management labour costs and bonus accruals as a result of improved performance during the Reporting Period, compared to a lower base for management labour and bonus accruals for the same period of the previous year due to performance losses and the receipt of policy benefits such as social security during the epidemic.
Research and development expenses	935,346	589,085	58.78%	Mainly due to the significant increase in research and development investment to further improve independent innovation capacity for the current period.
Asset impairment losses	111,089	17,905	520.44%	Mainly due to the increase on amount provided for fixed assets and inventories impairment losses for the current period.
Credit impairment losses	157,053	91,208	72.19%	Mainly due to the increase in provision for bad debts of accounts receivables recognized for the current period.
Investment income	681,913	118,283	476.51%	Mainly due to the increase in gains on disposal of derivative financial instruments for the current period.
Gains on changes in the fair value	(125,914)	(337,487)	62.69%	Mainly due to changes in the fair value of investments in equity instruments held for trading and derivatives for the current period.
Income tax expenses	1,813,717	399,132	354.42%	Mainly due to the increase in profit before income tax for the current period.

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

(1) Composition of Revenue

Unit: RMB thousand

	During the Reporting Period		During the same period of last year		Period-on-period change
	Amount	% of revenue	Amount	% of revenue	
Total revenue	73,184,549	100%	39,431,807	100%	85.60%
By industry/product					
Container	27,450,809	37.51%	8,448,783	21.43%	224.91%
Road transportation vehicles	17,711,844	24.20%	11,190,519	28.38%	58.28%
Energy, chemical and liquid food equipment	8,314,992	11.36%	5,797,777	14.70%	43.42%
Offshore engineering	2,818,678	3.85%	2,527,837	6.41%	11.51%
Airport facilities and logistics, fire safety and rescue	2,833,005	3.87%	2,190,809	5.56%	29.31%
Heavy trucks	872,677	1.19%	880,921	2.23%	(0.94%)
Logistics services	9,925,645	13.56%	4,451,534	11.29%	122.97%
Industrial city development	-	0.00%	1,262,133	3.20%	(100.00%)
Finance and asset management	1,052,589	1.44%	1,134,684	2.88%	(7.24%)
Recycled load	2,626,783	3.59%	1,286,512	3.26%	104.18%
Others	2,238,473	3.06%	1,470,735	3.73%	52.20%
Elimination between segments	(2,660,946)	(3.63%)	(1,210,437)	(3.07%)	(119.83%)
By region (by geographical locations of customers)					
China	38,036,716	51.97%	24,450,132	62.01%	55.57%
America	12,616,824	17.24%	4,795,277	12.16%	163.11%
Europe	14,536,134	19.86%	6,394,783	16.22%	127.31%
Asia (regions excluding China)	6,553,420	8.95%	3,253,159	8.25%	101.45%
Others	1,441,455	1.98%	538,456	1.36%	167.70%

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(2) Industry, Product or Region Contributing 10% or More to the Company's Revenue or Operating Profit 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	27,450,809	20,811,613	24.19%	224.91%	174.37%	13.97%
Road transportation vehicles	17,711,844	15,927,568	10.07%	58.28%	62.97%	(2.60%)
Energy, chemical and liquid food equipment	8,314,992	7,023,079	15.54%	43.42%	41.44%	1.18%
Logistics services	9,925,645	9,312,891	6.17%	122.97%	124.16%	(0.50%)
By region (by receiver)						
China	38,036,716	-	-	55.57%	-	-
America	12,616,824	-	-	163.11%	-	-
Europe	14,536,134	-	-	127.31%	-	-

(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
Asset impairment losses	111,089	1.62%	mainly due to the increase on amount provided for fixed assets and inventories impairment losses for the current period	No
Credit impairment losses	157,053	2.29%	mainly due to the increase in provision for bad debts of accounts receivables recognized for the current period	No
Investment income	681,913	9.94%	mainly due to the increase in gains on disposal of derivative financial instruments for the current period	No
Gains on changes in the fair value	(125,914)	(1.84%)	mainly due to changes in the fair value of investments in equity instruments held for trading and derivatives for the current period	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	433,762	0.28%	768,058	0.53%	(43.52%)	mainly due to changes in the fair value of derivative financial instruments for the current period
Notes receivables	527,309	0.33%	362,002	0.25%	45.66%	mainly due to the increase in income for the current period
Accounts receivables	26,439,819	16.79%	18,635,765	12.75%	41.88%	mainly due to the increase in income for the current period
Other receivables	3,783,411	2.40%	6,747,538	4.61%	(43.93%)	mainly due to the recovery of project demolition compensation for the Qianhai Project for the current period
Other current assets	1,824,387	1.16%	1,313,698	0.90%	38.87%	mainly due to the increase in tax deductible/withheld for the current period
Other non-current financial assets	161,115	0.10%	102,490	0.07%	57.20%	mainly due to changes in the fair value of non-current financial assets for the current period
Notes payables	5,674,592	3.60%	3,829,510	2.62%	48.18%	mainly due to the increase in purchasing cost of raw materials as a result of business growth for the current period
Accounts payables	19,458,652	12.36%	13,447,074	9.20%	44.71%	mainly due to the increase in purchasing cost of raw materials as a result of business growth for the current period
Taxes payable	2,181,873	1.39%	1,483,209	1.01%	47.10%	mainly due to the increase in corporate income tax payable for the current period
Debentures payable	4,104,811	2.61%	6,089,486	4.16%	(32.59%)	mainly due to the reclassification of debentures payable to current portion of non-current liabilities for the current period

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2. Main Overseas Assets

Applicable Not applicable

3. 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	198,279	57,893	-	-	140,282
2. Derivative financial assets and other non-current financial assets	870,548	(293,838)	-	-	594,877
3. Investments in other equity instruments	1,171,358	-	325,088	-	1,087,580
4. Receivables financing	1,544,177	-	-	1,666	1,137,820
Sub-total of financial assets	3,784,362	(235,945)	325,088	1,666	2,960,559
Investment properties	1,437,970	-	-	-	1,438,275
Total of the above	5,222,332	(235,945)	325,088	1,666	4,398,834
Financial liabilities	(767,525)	110,031	-	-	(616,790)
Total	4,454,807	(125,914)	325,088	1,666	3,782,044

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

Yes No

4. 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. 27 to "Chapter XI 2021 Interim Financial Report (Unaudited)" in this Report.

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(V) Analysis of Investments during the Reporting Period

1. General Information

Applicable Not applicable

Investment amount in the Reporting Period (RMB'000)	Investment amount in the same period of the previous year (RMB'000)	Change
1,301,665	896,883	45.13%

2. Material Equity Investments during the Reporting Period

Applicable Not applicable

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

Applicable Not applicable

4. Financial Asset Investments

(1) Securities Investments

Applicable Not applicable

(2) Other Listed Company Equities Held

Unit: RMB thousand

Securities	Abbreviation of stock name	Initial investment amount	Number of shares held (thousand shares)	Shareholding percentage (%)	Book value at the end of the Reporting Period	Profit or loss during the Reporting Period	Change in equity during the Reporting Period	Classification in accounting	Source of shareholding
ASX: OEL	Otto Energy	13,480	13,521	0.36%	591	-	(20)	Other equity investments	Share acquisition
HKEX: 00697	Shoucheng	182,212	209,586	2.87%	324,372	-	(63,685)	Other equity investments	Share acquisition
HKEX: 206	CMIC Ocean	204,326	185,600	5.38%	40,119	-	(2,607)	Long-term equity investments	Share acquisition
STAR Market: 688315	Novogene	30,000	1,800	0.50%	87,840	57,840	-	Other non-current financial assets	Share acquisition

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(3) Derivatives Investments

√ Applicable □ Not applicable

Unit: RMB thousand

Name of derivatives investment operator	Relationship with the Group	Related party transaction or not	Type of derivatives investment	Initial investment amount of derivatives investment	Date of commencement	Date of termination	Investment amount at the beginning of the Reporting Period	Purchase during the Reporting Period	Sale 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 the net assets of the Company at the end of the Reporting Period	Actual profit or loss during the Reporting Period
HSBC, Standard Chartered and other banks	Nil	No	Foreign exchange forward contract	-	2019/8/7	2022/11/30	24,412,232	-	-	-	47,724,125	101.76%	(203,706)
China Merchants Bank, Agricultural Bank of China and other banks	Nil	No	Foreign exchange option contract	-	2021/5/13	2021/12/1	11,702	-	-	-	904,414	1.93%	(3,088)
Standard Chartered, MUFG Bank and other banks	Nil	No	Interest rate swap contract	-	2020/3/4	2022/3/30	9,132,420	-	-	-	8,721,135	18.60%	79,245
Hicend Futures Co., Ltd.	Nil	No	Steel futures contract	-	2021/6/30	2021/9/30	896	-	-	-	54	0.00%	3
Total				-			33,557,250	-	-	-	57,349,728	122.29%	(127,546)

Source of funds for derivatives investments Self-owned funds

Litigation case (if applicable) N/A

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

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

Risk analysis and 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 2021, the derivative financial instruments held by the Group were mainly foreign exchange forward contracts, interest rate swap contracts, foreign exchange option contracts and steel 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 and foreign exchange option 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 risk in steel futures contracts was related to fluctuations in raw material prices. The Group's control measures on the derivative financial instruments were mainly reflected in: making prudent selection and determination on the type and quantity of newly-added derivative financial instruments; as for derivatives transactions, the Group formulated rigorous internal approval systems and business operational processes, and clarified the approval and authorisation procedures for all levels involved, so as to control the associated risks.

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

From January to June 2021, the Group's profit or loss arising from changes in fair values of the derivative financial instruments was RMB(127.546) million. Fair values of the derivative financial instruments of the Group were determined based on quoted market prices of external financial institutions.

Explanations on any significant changes in the Company's accounting policies and specific accounting principles on derivatives for the Reporting Period as compared with those for the last reporting period

No

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

The Company carried out derivatives hedging activities for the purpose of the day-to-day international business operations of the Company in order to smooth or lower the uncertainty impact of the operations of the Company due to the change in exchange rates and interest rates and fluctuations of raw material spot prices while adhering to the fundamental principle of value-preserving and prohibiting speculative practice. The Company has attached great importance to and continuously enhanced the management of derivatives hedging activities as well as developed and continuously improved relevant management systems. The relevant consideration and voting procedure is compliant with the requirements of the laws and regulations and the Articles of Association and without prejudice to the interests of the Company and the shareholders, in particular, the minority shareholders.

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(VI) Disposal of Substantial Assets and Equity Interests

1. Disposal of Substantial Assets

Applicable Not applicable

2. Disposal of Substantial Equity Interests

Applicable Not applicable

(VII) Analysis of Principal Subsidiaries and Associates

Applicable Not applicable

Details on acquiring and disposing subsidiaries during the Reporting Period

Applicable Not applicable

There is no significant disposal of subsidiaries during the Reporting Period.

Details on the principal subsidiaries and associates

Please refer to the relevant information contained in “II. Review of the 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 2021 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
Container Holding (Note 1)	Subsidiary	Mainly manufacturing and sales of containers	5,292,829	26,167,152	11,735,126	24,408,672	5,227,415	3,907,586
CIMC Vehicles (Note 2)	Subsidiary	Mainly manufacturing and sales of semi-trailers and truck bodies for specialty vehicles	1,765,000	22,463,485	11,127,445	17,711,844	878,374	760,650

Note 1: The financial data of Container Holding in the above table is extracted from its management report.

Note 2: CIMC Vehicles is a listed company and the financial data in the above table is extracted from its A share 2021 interim report.

(VIII) Structured Body Controlled by the Company

Applicable Not applicable

(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 of the Company" under "Chapter III Report of the Board" of this Report for details of risk exposures of the Company and responsive initiatives.

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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 2021 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 2021 Interim Financial Report (Unaudited)” in this Report.

CONSOLIDATED OPERATING RESULTS

During the Reporting Period, the Group recorded revenue of RMB73,184.549 million (same period in 2020: RMB39,431.807 million), representing a year-on-year increase of 85.60%, and net profit attributable to shareholders and other equity holders of the parent company of RMB4,297.459 million (same period in 2020: net loss of RMB182.797 million), representing a year-on-year turnaround from loss. 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 the 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 the Principal Businesses during the Reporting Period” under “Chapter III Report of the Board” and note XIII of “Chapter XI 2021 Interim Financial Report (Unaudited)” in this Report.

GROSS PROFIT MARGIN AND PROFITABILITY

During the Reporting Period, the gross profit margin of the Group was 16.59% (same period in 2020: 12.85%), representing a year-on-year increase of 3.74%. Among the principal businesses, the gross profit margin of the containers manufacturing business, finance and asset management business and recycled load business increased, 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 RMB56.763 million (same period in 2020: RMB83.485 million), representing a year-on-year decrease of 32.01%, which were mainly due to the higher amount that could not be paid in the same period last year. For details, please refer to note IV. 63 of “Chapter XI 2021 Interim Financial Report (Unaudited)” in this Report.

RESEARCH AND DEVELOPMENT EXPENSES

During the Reporting Period, the research and development expenses of the Group were RMB935.346 million (same period in 2020: RMB589.085million), representing a year-on-year increase of 58.78%, which were mainly due to the significant increase in research and development investment to further improve independent innovation capacity for the period. For details, please refer to note IV. 54 of “Chapter XI 2021 Interim Financial Report (Unaudited)” in this Report.

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SALES EXPENSES

During the Reporting Period, the sales expenses of the Group were RMB1,074.778 million (same period in 2020: RMB931.718 million), representing a year-on-year increase of 15.35%. For details, please refer to note IV. 52 of “Chapter XI 2021 Interim Financial Report (Unaudited)” in this Report.

FINANCIAL EXPENSES

During the Reporting Period, the financial expenses of the Group were RMB826.403 million (same period in 2020: RMB674.273 million), representing a year-on-year increase of 22.56%. The Group recorded net exchange losses of RMB148.038 million (January to June 2020: net exchange gains of RMB90.384 million) during the Reporting Period. However, as the Group conducted exchange rate derivatives investment activities, mainly foreign exchange forward contracts and foreign exchange option contracts, for the purpose of exchange rate hedging, in order to smooth or reduce the impact of uncertainty caused by changes in exchange rates on the Company’s operations. Such derivatives investment activities realised a net profit (including the realised gain or loss on the delivered portion and the gain or loss on the change in fair value of the undelivered portion) of RMB493.999 million during the Reporting Period, effectively hedging the fluctuations in the Group’s results of operations arising from exchange rate fluctuations. For details, please refer to note IV. 55 of “Chapter XI 2021 Interim Financial Report (Unaudited)” in this Report.

GENERAL AND ADMINISTRATIVE EXPENSES

During the Reporting Period, the general and administrative expenses of the Group were RMB2,811.454 million (same period in 2020: RMB2,080.199 million), representing a year-on-year increase of 35.15%, which was mainly due to an increase in management labour costs and bonus accruals as a result of improved performance during the Reporting Period, compared to a lower base for management labour and bonus accruals for the same period of the previous year due to performance losses and the receipt of policy benefits such as social security during the epidemic. For details, please refer to note IV. 53 of “Chapter XI 2021 Interim Financial Report (Unaudited)” in this Report.

INCOME TAX EXPENSES

During the Reporting Period, the income tax expenses of the Group were RMB1,813.717 million (same period in 2020: RMB399.132 million), representing a year-on-year increase of 354.42%, which was mainly due to an increase in profit before tax for the period. For details, please refer to note IV. 65 of “Chapter XI 2021 Interim Financial Report (Unaudited)” in this Report.

MINORITY PROFIT OR LOSS

During the Reporting Period, the minority profit or loss of the Group was RMB748.037 million (same period in 2020: RMB425.015 million), representing a year-on-year increase of 76%, mainly due to the increase in profit or loss attributable to minority shareholders calculated based on the shareholding proportion of minority shareholders.

LIQUIDITY AND CAPITAL SOURCE

The Group’s cash at bank and on hand primarily consist of cash and bank deposits. As at 30 June 2021, the Group’s cash at bank and on hand amounted to RMB13,152.813 million (31 December 2020: RMB12,181.415 million), representing an increase of 7.97% as compared with the end of the previous year. For details, please refer to note IV. 1 of “Chapter XI 2021 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 RMB6,261.059 million (same period in 2020: RMB2,242.911 million), net cash flows from investing activities of RMB(2,010.629) million (same period in 2020: RMB(885.872) million) and net cash flows from financing activities of RMB(3,202.638) million (same period in 2020: RMB561.330 million). As at the end of the Reporting Period, the balance of cash and cash equivalent held by the Group was RMB12,437.334 million (same period in 2020: RMB10,535.347 million) and the main currencies were RMB and US dollar.

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BANK LOANS AND OTHER BORROWINGS

As at 30 June 2021, 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 RMB45,728.956 million (31 December 2020: RMB48,444.491 million).

Unit: RMB thousand

	As at 30 June 2021 (unaudited)	As at 31 December 2020 (audited)
Short-term borrowings	8,942,241	8,416,701
Non-current borrowings due within one year	6,158,753	12,358,104
Debentures payable due within one year	4,077,650	2,017,874
Long-term borrowings	22,445,501	19,562,326
Debentures payable	4,104,811	6,089,486
Total	45,728,956	48,444,491

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 2021, the Group's long-term interest-bearing debts are mainly RMB-denominated floating rate contracts amounted to RMB15,408.983 million (31 December 2020: RMB12,222.594 million). The interest rate range of the Group's short-term borrowings is 0.34% to 4.85% (31 December 2020: 1.11% to 4.90%), and the interest rate range of long-term borrowings is 1.20% to 6.87% (31 December 2020: 1.20% to 6.87%). As at the end of the Reporting Period, the Group's fixed-rate bank borrowings amounted to approximately RMB13,556.495 million (31 December 2020: approximately RMB14,441.604 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 2021, the outstanding balance of fixed-rate debentures issued by the Group amounted to RMB8,182.461 million (31 December 2020: RMB8,107.360 million), with the interest rates range from 3.63% to 4.29% and maturity dates mainly spreading over three years. For details, please refer to notes IV. 28, IV. 37, IV. 39, IV. 40 and XIV. 3 of "Chapter XI 2021 Interim Financial Report (Unaudited)" in this Report.

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OTHER EQUITY INSTRUMENTS

For details, please refer to note IV. 45 of “Chapter XI 2021 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 2021, the Group’s equity interest attributable to shareholders amounted to RMB57,211.941 million (31 December 2020: RMB53,853.844 million) in aggregate, total liabilities amounted to RMB100,223.852 million (31 December 2020: RMB92,357.667 million) and total assets amounted to RMB157,435.793 million (31 December 2020: RMB146,211.511 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 63.66% (31 December 2020: 63%), which increased by 0.66% 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 end of the Reporting Period.)

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. Currently, the Chinese government adopts a managed floating exchange rate regime based on market supply and demand with reference to a basket of currencies, and RMB is still subject to control under the capital account. As the exchange rates of RMB are affected by domestic and international economic and political situations as well as the demand and supply of RMB, the exchange rates of RMB against other currencies may be different from the current rates in the future, the Group is exposed to potential foreign exchange risk arising from the exchange rate fluctuation in RMB against other currencies, which may affect the Group’s operating results and financial condition. The management of the Group has closely monitored its foreign exchange risk and taken appropriate measures to avoid foreign exchange risk. For details of the foreign exchange hedging contracts held by the Group during the Reporting Period, please refer to notes IV. 3, IV. 14, IV. 43 and XIV. 4 of “Chapter XI 2021 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 minimize the impact of interest rate risk, the Group entered into interest rate swap contracts with certain banks. As at 30 June 2021, the Group held four unsettled interest rate swap contracts denominated in U.S. dollars, the nominal value of which amounted to a total of USD1,350,000,000. Their fair value of RMB14,557,000 was accounted as liabilities, all of which were included in current liabilities. These contracts will expire from 7 March 2022 to 30 March 2022. For details, please refer to note XIV. 3 of “Chapter XI 2021 Interim Financial Report (Unaudited)” in this Report.

MARKET RISKS

For details of the Group’s market risks, please refer to “4. Major Risk Factors in the Future Development of the Group” of “III. Future Development and Outlook of the Company” under “Chapter IV Report of the Board” in this Report.

CREDIT RISK

The Group’s exposures to credit risk are mainly attributable to cash at bank and on hand, notes receivables, accounts receivable and derivative financial instruments for the purpose of hedging. 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. 1 of “Chapter XI 2021 Interim Financial Report (Unaudited)” in this report, the Group and the Company do not provide any other guarantees which would expose the Group or the Company to credit risk. Management will monitor these credit risk exposures on an ongoing basis. For details, please refer to note XIV. 1 of “Chapter XI 2021 Interim Financial Report (Unaudited)” in this Report.

PLEDGE OF ASSETS

As at 30 June 2021, the restricted assets of the Group totally amounted to RMB4,314.878 million (31 December 2020: RMB9,465.867 million), representing a decrease of 54.42% as compared with the end of the previous year. For details, please refer to note IV. 27 of “Chapter XI 2021 Interim Financial Report (Unaudited)” in this Report.

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CAPITAL COMMITMENTS

As at 30 June 2021, the Group had capital expenditure commitments of approximately RMB169.786 million (31 December 2020: approximately RMB118.935 million), representing an increase of 42.76% 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. For details, please refer to note XI. 1. (1) of “Chapter XI 2021 Interim Financial Report (Unaudited)” in this Report.

CONTINGENT LIABILITY

As at 30 June 2021, the Group had no contingent liabilities (31 December 2020: nil).

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

During the Reporting Period, there were no significant investments and material acquisitions and disposals relating to subsidiaries, associated companies and joint ventures. During the Reporting Period, no significant investment accounted for 5% or more of the total assets of the Company at the balance sheet date. For details, please refer to note V and note VI of “Chapter XI 2021 Interim Financial Report (Unaudited)” in this Report.

FUTURE PLANS FOR SIGNIFICANT INVESTMENTS, EXPECTED SOURCE OF FUNDING, CAPITAL EXPENDITURE AND FINANCIAL PLAN

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 of the Company” 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. Concurrently, the Group will take a prudent attitude in order to enhance its future operating cash flow. According to the changes in economic situation and operating environment, as well as the needs of the Group’s strategic upgrade and business development, the capital expenditure of the Group is expected to be approximately RMB7.3 billion in 2021, among which approximately RMB2.17 billion was actually occurred in the first half of this year, mainly used in the acquisition of fixed assets, intangible assets and other long-term assets etc. The Group will continue to consider various types of financing arrangements.

USE OF PROCEEDS FROM GLOBAL OFFERING AND RAISED PROCEEDS FROM THE A SHARE ISSUANCE OF CIMC VEHICLES

Since 11 July 2019 (the “Listing Date of H shares”), the H shares of CIMC Vehicles has been listed on the main board of the Hong Kong Stock Exchange. CIMC Vehicles offered 265,000,000 H shares in total in the global offering. After reducing underwriting commissions and expenses in relation to the global offering, the net proceeds from the global offering amount to approximately HK\$1,591.3 million. The nominal value of each H share of CIMC Vehicles is RMB1.00.

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On 5 December 2019, 25 March 2020, 12 October 2020 and 20 November 2020, CIMC Vehicles has announced the changes to the use of net proceeds from the global offering. On 25 August 2021, CIMC Vehicles intended to further change the use of proceeds from the global offering, subject to approval at the general meeting of CIMC Vehicles. Please refer to the relevant announcements issued by CIMC Vehicles on the same days for details.

The use of the net proceeds from the Global Offering and its utilization as of 30 June 2021, 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\$ million)	Utilized Amount as of 30 June 2021 (HK\$ million)	Utilized Amount during the Reporting Period (HK\$ million)	Unutilized Amount as of 30 June 2021 (HK\$ million)
Develop new manufacturing or assembly plants and upgrade the marketing model	1,102.70	630.08	305.05	472.62
- Develop a new automated production facility for chassis trailers in the coastline regions along the eastern or southern US	39.20	38.83	10.25	0.37
- Develop a new assembly plant for high-end refrigerated trailers in the UK or Poland	38.50	14.30	1.61	24.20
- Develop a new automated production facility for refrigerated trailers in Monon, the US	165.40	159.38	4.99	6.02
- Develop a new assembly plant for swap bodies and chassis and flatbed trailers in the Netherlands	105.30	78.27	7.46	27.03
- Develop a new assembly plant for refrigerated trailers in Canada	39.00	15.99	4.49	23.01
- Develop a new manufacturing plant in Jiangmen, China	87.00	65.58	63.99	21.42
- Upgrade the marketing model in China (Note)	99.60	-	-	99.60
- Technological reform and informatization of plants in Xi'an, China	32.90	-	-	32.90
- Develop a new production plant in Baoji, China	70.00	-	-	70.00
- Construct a vehicle park in Kunming, China	78.40	48.03	2.56	30.37
- Expand semi-trailer production plant in Dongguan, China	118.40	63.11	63.11	55.29
- Expand dry bodies and refrigerated bodies production plant in Zhenjiang, China	35.50	9.94	9.94	25.56
- Expand production and assembly plant for chassis trailers in Rayong, Thailand	193.50	136.65	136.65	56.85
Research and develop new products	157.50	55.13	44.16	102.37
- Invest in industry fund (Note)	84.10	34.43	34.43	49.67
- Develop high-end refrigerated semi-trailers	26.30	14.87	9.73	11.43
- Develop other smart trailers (Note)	15.70	-	-	15.70
- Invest in product standardization, unit weight reduction and modularization in Europe and US plants (Note)	15.70	-	-	15.70
- Develop other trailer products (Note)	15.70	5.83	-	9.87
Repay the principal amount and interests of bank borrowings	157.50	153.77	-	3.73
Working capital and general corporate purposes	173.60	151.45	-	22.15
Total	1,591.30	990.43	349.21	600.87

Note: The board of directors of CIMC Vehicles proposed to further change the use of the proceeds from the global offering, subject to the approval at the general meeting of CIMC Vehicles. For details, please refer to the announcement published on 25 August 2021 by CIMC Vehicles.

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Since 8 July 2021 (the “Listing Date of A shares”), the A shares of CIMC Vehicles has been listed on the ChiNext (創業板) of SZSE. CIMC Vehicles offered 252,600,000 A shares in total at the issue price determined at RMB6.96 per A share. After reducing the issue expenses of RMB174.3 million (tax exclusive), the net proceeds from the A share issuance amounted to approximately RMB1,583.8 million. The net price of each A share is approximately RMB6.27 and the nominal value of each A share is RMB1.00. The proceeds from A share issuance will be used mainly for digital transformation and R&D projects, upgrading and building new “lighthouse factory” projects, new marketing construction project, repayment of bank loans and replenishment of working capital. For further details of the proceeds raised through the A share offering of CIMC Vehicles and its proposed use, please refer to the announcement of CIMC Vehicles dated 3 August 2021.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2021, the Group had approximately 53,928 employees in total (30 June 2020: approximately 51,155 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 RMB5,852.611 million (same period in 2020: RMB3,964.434 million), representing a year-on-year increase of 47.63%.

The Group provides salary and bonus payment to its employees based on their position value, ability, experience, performance and market conditions. The share option incentive scheme aims to recognise the previous contribution of directors and core employees to the Group and reward them for their long-term services. Other benefits include social insurance required by the Chinese government. The Group regularly reviews its remuneration policies, including directors’ remuneration payable, and strives to formulate an improved incentive and assessment mechanism based on the operating results of the Group and the market conditions.

For details of the A Share(s) Share Option Incentive Scheme adopted by the Company, please refer to “V. Implementation of the Company’s Share Option Incentive Scheme, Employee Stock Ownership Scheme or Other Employee Incentive Measures” of “Chapter VI Corporate Governance” in this Report.

EMPLOYEE TRAINING PROGRAMME

The Company has built a multi-level and composite talent training system with its core human resources philosophy of “people-oriented and mutual business”, including: new employees training, general skills training, professional training, leadership training programme and international talent training programme. Meanwhile, the Group has also provided its employees with ample career development opportunities. The Group, based on its requirements from the strategic development on the talents, has built its employees’ career development path (such as management, engineering technology, lean, finance, audit, etc.) to conduct effective career management and clarify career development direction for its employees with a view to increasing their capabilities.

EMPLOYEE PENSION SCHEME

The Group has provided employees with basic pension insurance arranged by local human resources and social security bureaus. The Group makes contributions to the pension insurance at the applicable rates monthly based on the amounts stipulated by the government organization. When employees retire, the local human resources and social security bureaus are responsible for the payment of the basic pension benefits to the retired employees. The amounts of pension insurance payable calculated according to the above regulations are recognised as liabilities during the accounting periods when the employees render services and are charged to profit or loss or capitalized in costs of related assets. For details, please refer to note II. 24 and note IV. 56 of “Chapter XI 2021 Interim Financial Report (Unaudited)” in this Report.

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

SHARE OPTION INCENTIVE SCHEME

The implementation of share option incentive scheme is helpful for the Group to establish an interest sharing and restraint mechanism among the directors, the management and the core employees, by which the management can better balance its short-term and long-term goals so as to attract and retain outstanding management candidates and key employees and stimulate sustainable value of incentives which will serve to guarantee the stable development of the Company in the long term and enhance its competitive strength. For details of the share option incentive scheme of the Company and its subsidiaries, please refer to “V. Implementation of the Company’s Share Option Incentive Scheme, Employee Stock Ownership Scheme or Other Employee Incentive Measures” of “Chapter VI Corporate Governance” in this Report.

DIVIDEND DISTRIBUTION

The Board proposed that no interim cash dividend for 2021 shall be distributed, no bonus share shall be issued, and no share shall be converted from reserves into share capital (same period in 2020: 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 2020 Social Responsibility & Environmental, Social and Governance Report on the website of the Hong Kong Stock Exchange on 29 March 2021. 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 “XV. Significant Events after the Reporting Period” of “Chapter VIII 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 2020 Annual Report of the Company.

Chapter VI Corporate Governance

I. COMPANY GOVERNANCE AND CORPORATE GOVERNANCE

(I) Company Governance

During the Reporting Period, the Group continued to promote the enterprise management in accordance with laws and maintained standardised operations in strict compliance with laws and regulations of the State and regulatory documents of the CSRC, CSRC Shenzhen, Shenzhen Stock Exchange, the Hong Kong Securities and Futures Commission and the Hong Kong Stock Exchange; continuously advanced the construction of risk control system, focused on the management of significant risks and promoted the project of digital risk control for key businesses.

During the Reporting Period, the Group focused on the fields of “three highs and one big” (high risk, high value, high frequency and big data), initiated the pilot project of digital risk control, and applied digitalisation and AI technologies to promote the risk management to shift the focus from post management to pre- and in-process control. It took targeted measures to conduct trials of significant risk management for some segments and promoted the achievements to all organisations of the Group rapidly; further amended and improved the accountability system and strengthened the promotion and implementation of accountability system; continued to enhance the construction of risk control team, provided online continuous trainings to core personnel and business backbones and supported them to take certificate examinations; strengthened the compliance risk warning and control of international businesses. In the second half, the Group will expand the achievements of digital risk control to a wider scope, intensify the promotion of information management systems for procurement, engineering and related-party transactions, and fully capitalise on its group risk control advantage.

During the Reporting Period, the Group took the enterprise management in accordance with laws as an important part in its internal control work. Certain systems and rules have been updated pursuant to the requirements of the securities regulators in the mainland China and Hong Kong, which include the Articles of Association, the Insider Registration and Management System of China International Marine Containers (Group) Co., Ltd. and the Rules of Procedures for the General Meetings. In July 2021, the Group amended and published the Information Disclosure Management System of China International Marine Containers (Group) Co., Ltd..

Chapter VI Corporate Governance

(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 the deviation from the code provision A.1.1 and code provision A.2.1. Deviations during the Reporting Period have been disclosed in relevant paragraphs below.

(1) *The Board*

The Board of the Company is elected by the general meeting of the Company through voting and is held accountable to the general meeting. The primary responsibilities of the Board are to provide strategic guidance to the Company, exercise effective supervision over the senior management, ensure that the Company's interests are protected and are accountable to the Shareholders. Changes of the Board during the Reporting Period are as follows: on 9 March 2021, Mr. LIU Chong resigned from the positions of director, vice-chairman and the member of the Strategy Committee of the Board of the Company due to the change in job assignments; Mr. GAO Xiang resigned from the position of director of the Company due to the change in job assignments. On 7 April 2021, the by-election of Mr. ZHU Zhiqiang and Mr. KONG Guoliang as Directors of the ninth session of the Board has been considered and approved at the second extraordinary general meeting for 2021.

During the Reporting Period, the ninth session of the Board, comprising 9 Directors, held 16 board meetings, of which 1 meeting was held on-site, 15 meetings were held in a way of written review resolutions with 56 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 13 meetings were held by the committees of the Board with 16 letters of opinion from Board Committees passed.

Chapter VI Corporate Governance

(3) *The Supervisory Committee*

Changes to the Supervisory Committee during the Reporting Period are as follows: on 9 March 2021, the Supervisory Committee of the Company received the written resignation from Mr. LIN Feng, the chairman of the Supervisory Committee, and the resignation of Mr. LIN Feng took effect upon the new supervisor representing shareholder taking office. On 7 April 2021, the by-election of Ms. SHI Lan as a supervisor representing shareholder of the ninth session of the Supervisory Committee has been considered and approved at the second extraordinary general meeting for 2021.

During the Reporting Period, there are three Supervisors at the ninth session of the Supervisory Committee, and five meetings of the ninth session of the Supervisory Committee were held, with 19 resolutions reviewed. The Supervisors attended 16 meetings of the Board on a non-voting basis.

(4) *Shareholders' General Meeting*

On 11 March 2021, the Company held the first extraordinary general meeting for 2021. On 7 April 2021, the Company held the second extraordinary general meeting for 2021. On 2 June 2021, the Company held the annual general meeting for 2020. On 18 June 2021, the Company held the third extraordinary general meeting for 2021. 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.

The independent non-executive Director of the ninth session of the Board of the Company, Mr. PAN Zhengqi and Mr. XIONG Bo, a Supervisor, attended the first extraordinary general meeting for 2021, and other Directors failed to attend relevant meeting due to other important affairs at relevant time. The independent non-executive Directors of the ninth session of the Board of the Company, Mr. PAN Zhengqi, Mr. HE Jiale and Mr. XIONG Bo, a Supervisor, attended the second extraordinary general meeting for 2021, and other Directors failed to attend relevant meeting due to other important affairs at relevant time. The executive Director of the ninth session of the Board Mr. MAI Boliang (Chairman and CEO), the non-executive Director Mr. KONG Guoliang, the independent non-executive Directors, Mr. HE Jiale, Mr. PAN Zhengqi, Ms. LUI FUNG Mei Yee, Mabel (by network) and Mr. XIONG Bo, a Supervisor, attended the annual general meeting for 2020, and other Directors failed to attend relevant meeting due to other important affairs at relevant time. The independent non-executive Directors of the ninth session of the Board of the Company, Mr. HE Jiale, Mr. PAN Zhengqi, Ms. LUI FUNG Mei Yee, Mabel (all the above-mentioned three Directors by network), and Mr. XIONG Bo, a Supervisor, attended the third extraordinary general meeting for 2021, and other Directors failed to attend relevant meeting due to other important affairs at relevant time.

(5) *Updates regarding Deviations from Code Provisions as set out in the 2020 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 16 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.

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Corporate Governance Code A.2.1 requires that “The roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing”. During the Reporting Period, Mr. MAI Boliang served as the Chairman and the CEO of the Company. The Board of the Company believes that vesting the roles of both the Chairman and the CEO in Mr. MAI Boliang would enable the Company to achieve higher responsiveness, efficiency and effectiveness when formulating business strategies and executing business plans. Furthermore, in view of Mr. MAI Boliang’s extensive industrial experience and significant role in the historical development of the Group, the Board believes that it is beneficial to the business prospects of the Group if Mr. MAI Boliang acts as both the Chairman and the CEO of the Company, and the balance of power and authority is sufficiently maintained by the operation of the Board, comprising the executive Directors, non-executive Directors and independent non-executive Directors.

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 of the Company by Directors and Supervisors. After inquiries to all the Directors and Supervisors, they confirmed that they had 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 2021, the Audit Committee has discussed with the management and reviewed the 2021 interim financial report of the Group 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 “3. Changes in Information of Directors and Supervisors” under “III. Changes of Directors, Supervisors and Senior Management of the Company During the Reporting Period” in “Chapter VI Company Governance”. 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 Corporate Governance

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	Resolutions
The first extraordinary general meeting for 2021	Extraordinary general meeting	60.4616%	11 March 2021	22 February 2021	11 March 2021	1. Resolution Regarding Further Update on Bank Facility and Project Guarantee Provided to Subsidiaries of the Company in 2020.
The second extraordinary general meeting for 2021	Extraordinary general meeting	60.3159%	7 April 2021	15 March 2021	7 April 2021	1. Resolution in Relation to the By-election of Mr. ZHU Zhiqiang and Mr. KONG Guoliang as Directors of the Ninth Session of the Board: 1.01 To elect Mr. ZHU Zhiqiang as a Director of the ninth session of the Board; 1.02 To elect Mr. KONG Guoliang as a Director of the ninth session of the Board; 2. Resolution in Relation to the By-election of Ms. SHI Lan as a Supervisor Representing Shareholder of the Ninth Session of the Supervisory Committee.
The annual general meeting for 2020	Annual general meeting	58.9949%	2 June 2021	30 April 2021	2 June 2021	1. 2020 Work Report of the Board; 2. 2020 Work Report of the Board of Supervisors; 3. 2020 Annual Report; 4. Resolution Regarding Profit Distribution, Dividend Distribution Proposal for 2020; 5. Resolution Regarding the Appointment of an Accounting Firm in 2021; 6. Resolution Regarding the Guarantee Plan of CIMC in 2021; 7. Resolution Regarding the Provision of Guarantee for Shenzhen CIMC Industry & City Development Group Co., Ltd.; 8. Resolution Regarding the Application for Registration Issuance of Debt Financing Instrument of the Association of Financial Market Institutional Investors; 9. Resolution Regarding the Amendments to the Articles of Association of China International Marine Containers (Group) Co., Ltd.; 10. Resolution Regarding the Amendments to the Rules of Procedures for the General Meetings of China International Marine Containers (Group) Co., Ltd.; 11. Resolution Regarding the Request by the Board for General Mandate by the General Meeting on the Issuance of Shares.

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Session of meeting	Type of meeting	Proportion of investors participation	Date	Notice date	Disclosure date	Resolutions
The third extraordinary general meeting for 2021	Extraordinary general meeting	59.1934%	18 June 2021	31 May 2021	18 June 2021	<ol style="list-style-type: none"> 1. Resolution Regarding the Compliance of the Spin-off and Listing of the Controlling Subsidiary CIMC-TianDa Holdings Company Limited on ChiNext with Relevant Laws and Regulations; 2. Resolution Regarding the Plan on the Spin-off and Listing of the Controlling Subsidiary CIMC-TianDa Holdings Company Limited on ChiNext; 3. Resolution Regarding the Proposal on the Spin-off and Listing of the Controlling Subsidiary CIMC-TianDa Holdings Company Limited on ChiNext; 4. Resolution Regarding the Compliance of the Spin-off and Listing of the Controlling Subsidiary with Several Provisions on the Pilot Program of Listed Companies' Spin-off of Subsidiaries for Domestic Listing; 5. Resolution Regarding the Spin-off and Listing of the Controlling Subsidiary CIMC-TianDa Holdings Company Limited on ChiNext which Benefits the Safeguarding of Legal Rights and Interests of Shareholders and Creditors; 6. Resolution Regarding the Ability to Maintain Independence and Sustainable Operation of the Company; 7. Resolution Regarding the Capability of CIMC-TianDa Holdings Company Limited to Implement Regulated Operation; 8. Resolution Regarding the Explanation on the Completeness of and Compliance with Statutory Procedures of the Spin-off and Listing of the Controlling Subsidiary CIMC-TianDa Holdings Company Limited on ChiNext and the Validity of Legal Documents Submitted; 9. Resolution Regarding the Analysis on the Objectives, Commercial Reasonableness, Necessity and Feasibility of the Spin-off and Listing of the Controlling Subsidiary CIMC-TianDa Holdings Company Limited on ChiNext; 10. Resolution Regarding the Proposed Authorisation of General Meeting to the Board and its Authorised Persons to Handle Matters Relating to the Spin-off and Listing.

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

Applicable Not applicable

Chapter VI Corporate Governance

III. CHANGES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY DURING THE REPORTING PERIOD

1. Changes of Directors, Supervisors and Senior Management of the Company

(1) Changes of Directors, Supervisors and senior management of the Company during the Reporting Period are set out below:

Name	Position	Type	Date	Reason
Zhu Zhiqiang	Vice-chairman, non-executive Director	Elected	7 April 2021	Election
Kong Guoliang	Non-executive Director	Elected	7 April 2021	Election
Liu Chong	Vice-chairman, non-executive Director	Resigned	9 March 2021	Resignation due to the change in job assignments
Gao Xiang	Non-executive Director	Resigned	9 March 2021	Resignation due to the change in job assignments
Shi Lan	Chairman of the Supervisory Committee	Elected	7 April 2021	Election
Lin Feng	Supervisor	Resigned	6 April 2021	Resignation due to the change in job assignments
Huang Tianhua	Vice president	Appointed	29 March 2021	Re-appointment upon expiration of the term of office
Yu Yuqun	Vice president	Appointed	29 March 2021	Re-appointment upon expiration of the term of office
	Secretary to the Board/ company secretary	Resigned	29 March 2021	Resignation due to the change in job assignments
Wu Sanqiang	Secretary to the Board/joint company secretary	Appointed	30 March 2021	Appointment

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

After the Reporting Period and up to the disclosure date of this Report, there were no changes of Directors, Supervisors and senior management of the Company.

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2. Interests of Directors, Supervisors and Chief Executives in the Share Capital of the Company and Associated Corporation Thereof

As at 30 June 2021, 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 the shares	Number of shares (shares)
Mai Boliang	Beneficial interest	A Shares	593,643

(2) Interest in the Underlying Shares of the Company:

For details of the interests in the underlying shares of the Company held by any Director, Supervisor and chief executive of the Company as at 30 June 2021, please refer to “V. Implementation of the Company’s Share Option Incentive Scheme, Employee Stock Ownership Scheme or Other Employee Incentive Measures” of “Chapter VI Significant Events” in this Report.

(3) Interest in the Associated Corporation of the Company:

Name	Name of associated corporation	Nature of interest	Type of the shares	Number of shares (shares)
Mai Boliang	CIMC Enric	Beneficial interest	Ordinary shares	7,260,000

Save as disclosed above, as at 30 June 2021, to the best knowledge of Directors of the Company, no Directors, Supervisors or chief executives of the Company held interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of 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, Supervisors or chief executives 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 under Section 352 of the SFO, or otherwise required to be notified 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.

3. Changes in Information of Directors and Supervisors

During the Reporting Period, there were no changes in information of Directors and Supervisors of the Company. For details of the information of Directors and Supervisors, please refer to the 2020 Annual Report and the announcements and/or the circular disclosed on the website of the Company (www.cimc.com) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 9 March 2021, 15 March 2021 and 7 April 2021.

Chapter VI Corporate Governance

IV. 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 2021 (same period in 2020: Nil).

Implementation of Profit Distribution of the Company during the Reporting Period

During the Reporting Period, the proposed profit distribution plan for 2020 was passed at the annual general meeting for 2020 held on 2 June 2021 in accordance with the relevant requirements of the Articles of Association: the Company to pay a cash dividend of RMB0.28 (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 2020 (dividend distribution plan for 2019: dividend of RMB0.12 (inclusive of tax) for every share, with no bonus shares issued and no capital reserves converted into share capital). The Company completed the payment of the dividend for 2020 on 20 July 2021, and the dividend paid was RMB1,005.904 million.

V. IMPLEMENTATION OF THE COMPANY'S SHARE OPTION INCENTIVE SCHEME, EMPLOYEE STOCK OWNERSHIP SCHEME OR OTHER EMPLOYEE INCENTIVE MEASURES DURING THE REPORTING PERIOD

1. Setting up a trust scheme in light of the bonus balance fund operation under the profit sharing scheme by the Company

On 23 March 2020, the operation scheme of the Company to establish a trust plan by utilizing the surplus funds from the bonus balance of the profit sharing plan and make a contribution to the Partnership, which may be used by the Partnership to purchase H Shares of the Company in the secondary market, was considered and approved at the first meeting of the ninth session of the Board of the Company in 2020. The total scale of the fund for the operation scheme shall not exceed RMB343 million, the valid period of which is ten years commencing from the date of approval at the general meeting. The capital scale of the trust plan (first phase) under the Trust and Operation Scheme for Surplus Funds from the Profit Sharing Plan of CIMC Group (Draft) (the "Operation Scheme"), which is determined in accordance with the Operation Scheme, is RMB200 million, with the duration of five years. Such matter has been considered and approved at the 2019 annual general meeting, the first class meeting of A Shareholders for 2020 and the first class meeting of H Shareholders for 2020. As at 19 January 2021, the Company has completed the purchase of Shares under the First Phase of the Trust Plan and the lock-up period for the H Shares of the Company purchased is 12 months.

On 18 June 2021, as considered and approved at the 16th meeting of the ninth session of the Board of the Company in 2021, the Second Phase of the Trust Plan was established by utilizing the surplus funds of RMB143 million from the bonus balance of the profit sharing plan with a duration of 60 months in accordance with the Operation Scheme approved at the annual general meeting of the Company in 2019. As of 30 June 2021, the trust under the Second Phase of the Trust Plan has been set up, while has not purchased any H Shares of the Company yet.

Chapter VI Corporate Governance

2. CIMC Enric (a subsidiary of the Company)

(1) Share options

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.

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 2021:

Directors of CIMC Enric	Date of Grant	Number of underlying shares comprised in share options							Exercise price per share HKD	Exercise period
		Outstanding as at 1 January 2021	Granted during the Reporting Period	Exercised during the Reporting Period	Transferred to/from other categories during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at 30 June 2021			
Gao Xiang	2011.10.28	500,000	-	(500,000)	-	-	0	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)	-	-	0	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	-	(100,000)	-	-	200,000	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)	-	-	0	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	13,364,000	-	(8,666,000)	-	-	4,698,000	2.48	2013.10.28-2021.10.27	
	2014.06.05	25,870,000	-	-	-	-	25,870,000	11.24	2016.06.05-2024.06.04	
Other participants	2011.10.28	1,610,000	-	(1,310,000)	-	-	300,000	2.48	2013.10.28-2021.10.27	
	2014.06.05	4,490,000	-	-	-	-	4,490,000	11.24	2016.06.05-2024.06.04	
Total	-	48,634,000	-	(11,076,000)	-	-	37,558,000	-	-	

Notes:

- 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.
- 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.
- 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 2021 was HK\$6.49 per share.

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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.

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

As at 30 June 2021, a total of 193,660,608 options are available for grant under the New Scheme, and a total of 231,218,608 shares are available for issue under the Scheme and the New Scheme.

Saved as disclosed above, no options were granted, exercised, lapsed or cancelled by CIMC Enric for the six months ended 30 June 2021.

(2) Restricted share award scheme (2018)

CIMC Enric approved and adopted issuance and allotment of a total of up to 50,000,000 restricted shares to the trustee as shares held in trust by selected participants to participate in the award scheme, and granted restricted shares to directors and other related selected participants at its extraordinary general meeting held on 10 August 2018. On 24 August 2018, the conditions precedent under the award scheme were fulfilled, and a total of 46,212,500 restricted shares were allotted to and accepted by the selected participants. For details, please refer to the relevant announcements of CIMC Enric published on the website of the Hong Kong Stock Exchange. A total of 3,400,000 restricted shares were granted to the directors of CIMC Enric in 2018. As the vesting conditions for the first vesting period have been fulfilled, a total of 1,020,000 restricted shares were vested in the directors of CIMC Enric in 2019. As the vesting conditions for the second vesting period have been fulfilled, a total of 1,020,000 restricted shares were vested in the directors of CIMC Enric in 2020. As vesting conditions for the third vesting period have not been fulfilled, the remaining 1,360,000 restricted shares are reserved as a part of the trust and have been available for sale in accordance with the terms of the restricted share award scheme (2018). As at 30 June 2021, details are set out below:

Directors of CIMC Enric	Date of Grant	Number of restricted shares				As at 30 June 2021	Vesting period
		As at 1 January 2021	Granted during the Reporting Period	Vested during the Reporting Period	Cancelled during the Reporting Period		
Gao Xiang	2018.8.24	400,000	–	–	(400,000)	–	2018.6.26–2022.6.25
Yang Xiaohu	2018.8.24	480,000	–	–	(480,000)	–	2018.6.26–2022.6.25
Yu Yuqun	2018.8.24	160,000	–	–	(160,000)	–	2018.6.26–2022.6.25
Wang Yu	2018.8.24	160,000	–	–	(160,000)	–	2018.6.26–2022.6.25
Zeng Han	2018.8.24	160,000	–	–	(160,000)	–	2018.6.26–2022.6.25
Total		1,360,000	–	–	(1,360,000)	–	

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(3) 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 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 to, 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 granted 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 be vested 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 granted shares prior to the vesting of such granted shares in the participant. During the Reporting Period, no shares were granted under the 2020 Award Scheme.

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3. Equity-settled share option scheme of CIMC TianDa (a subsidiary of the Company)

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. The CIMC TianDa 2009 Share Option Scheme 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 approved 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 1,561,436,648 shares as at 30 June 2021. As at 30 June 2021, no share options were granted under the CIMC TianDa New Share Option Scheme since its adoption. As joint offerors will be entitled to over 50% of shares of CIMC TianDa due to the privatisation scheme, on 30 November 2020, CIMC TianDa informed option holders by way of the option offer letter in accordance with the terms of CIMC TianDa 2009 Share Option Scheme that option holders may exercise the options within 21 days from the date of the option offer letter, otherwise all option offers not accepted and all options not exercised will lapse automatically after the privatisation scheme becomes effective. Accordingly, all options granted but not exercised under the CIMC TianDa 2009 Share Option Scheme have lapsed automatically or been cancelled as at 21 January 2021.

During the Reporting Period, no share options were granted or exercised by CIMC TianDa. As at 30 June 2021, the options of CIMC TianDa granted are set out in the table below:

CIMC TianDa 2009 Share Option Scheme	Number of options	Exercise Price (HK\$)
Outstanding as at 1 January 2021	115,625,000	0.42
Cancelled upon the acceptance of option offers before 21 January 2021	(54,625,000)	–
Lapsed automatically as at 21 January 2021	(61,000,000)	–
Exercisable as at the end of the Reporting Period	–	–

As at 30 June 2021, details of the share options granted under the CIMC TianDa 2009 Share Option Scheme to certain directors and employees of CIMC TianDa:

Directors of CIMC TianDa	Number of shares of HK\$0.01 each of CIMC TianDa issuable under the share options			
	Outstanding as at 1 January 2021	Granted during the Reporting Period	Exercised, lapsed or cancelled during the Reporting Period	Outstanding as at 30 June 2021
Jiang Xiong	4,000,000	–	(4,000,000)	–
Loke Yu	4,000,000	–	(4,000,000)	–
Heng Ja Wei	4,000,000	–	(4,000,000)	–
Ho Man	2,000,000	–	(2,000,000)	–
Subtotal	14,000,000	–	(14,000,000)	–
Other employees	101,625,000	–	(101,625,000)	–
Total	115,625,000	–	(115,625,000)	–

Chapter VII Environmental and Social Responsibility

I. 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

Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of emission outlets	Distribution of emission outlet	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	Sewage collection pipes	1	Northwest gate of the factory area	3.200 mg/L	Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T 31962-2015)	0.1100	Not approved by regulators	Not exceeded
	Total phosphorus	Sewage collection pipes	1	Northwest gate of the factory area	1.450 mg/L		0.0520	Not exceeded	
	SS	Sewage collection pipes	1	Northwest gate of the factory area	21.000 mg/L		0.7030	Not exceeded	
	CODcr	Sewage collection pipes	1	Northwest gate of the factory area	292.000 mg/L		5.4290	Not exceeded	
	Ammonia nitrogen	Sewage collection pipes	1	Northwest gate of the factory area	22.600 mg/L		0.6470	Not exceeded	
	Total nitrogen	Sewage collection pipes	1	Northwest gate of the factory area	31.800 mg/L		0.8390	Not exceeded	
	Particulate matter	Organised emission	4	Northern part of the factory area	4.075 mg/m ³		Integrated Emission Standard of Air Pollutants GB16297-1996 Jiangsu Provincial Emission Standard of Air Pollutants for Industrial Kiln and Furnace (Exposure Draft)	1.6000	2.4380
	Sulphur dioxide	Organised emission	2	Northern part of the factory area	ND (not detected)	0		0.1800	Not exceeded
	Nitric oxide	Organised emission	2	Northern part of the factory area	ND (not detected)	0		0.7200	Not exceeded
	Blackness of fume	Organised emission	2	Northern part of the factory area	<Level 1	-		Not approved by regulators	Not exceeded
	Benzene	Organised emission	2	Northern part of the factory area	0.0205 mg/m ³	Emission Standard of VOCs from Industrial Enterprises in Tianjin City (DB12/524-2014)		0.0021	Not approved by regulators
	Xylene	Organised emission	2	Northern part of the factory area	0.102 mg/m ³		0.0096	Not approved by regulators	Not exceeded
	VOCs	Organised emission	2	North of the factory area	0.350 mg/m ³		0.0574	31.3000	Not exceeded
	Methylbenzene	Organised emission	2	North of the factory area	0.075 mg/m ³	0.0066	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 outlet	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")	Animal and vegetable oil	Sewage collection pipes	1	Southwestern corner of the company	0.240 mg/L	Integrated Wastewater Discharge Standard (GB8978-1996) and Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015)	0.0048	Not approved by regulators	Not exceeded
	CODcr	Sewage collection pipes	1	Southwestern corner of the company	37.000 mg/L		0.8254	Not approved by regulators	Not exceeded
	Ammonia nitrogen	Sewage collection pipes	1	Southwestern corner of the company	0.375 mg/L		0.0106	Not approved by regulators	Not exceeded
	SS	Sewage collection pipes	1	Southwestern corner of the company	20.000 mg/L		0.3921	Not approved by regulators	Not exceeded
	Total phosphorus	Sewage collection pipes	1	Southwestern corner of the company	0.170 mg/L		0.0035	Not approved by regulators	Not exceeded
	Total nitrogen	Sewage collection pipes	1	Southwestern corner of the company	2.010 mg/L		0.0423	Not approved by regulators	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 approved by regulators	Not exceeded
	Particulate matter	Organised emission	20	South, west, central north of the workshop	19.898 mg/m ³	Integrated Emission Standard of Air Pollutants (GB16297-1996)	20.9786	Not approved by regulators	Not exceeded
	Benzene	Organised emission	2	South and north of the workshop	0.035 mg/m ³		0.0210	Not approved by regulators	Not exceeded
	Methylbenzene	Organised emission	3	South and north of the workshop, the hazardous waste warehouse in the north-eastern corner of the factory area	0.050 mg/m ³		0.0321	Not approved by regulators	Not exceeded
	Xylene	Organised emission	3	South and north of the workshop, the hazardous waste warehouse in the north-eastern corner of the factory area	0.170 mg/m ³		0.4093	Not approved by regulators	Not exceeded
	Nitric oxide	Organised emission	8	South, north and middle of the workshop	0mg/m ³		0	Not approved by regulators	Not exceeded
	Sulphur dioxide	Organised emission	8	South, north and middle of the workshop	0mg/m ³		0	Not approved by regulators	Not exceeded
	Ammonia	Organised emission	1	Sewage treatment station in the south of the workshop	0mg/m ³	Emission Standards for Odour Pollutants (GB14554-93)	0.0034	Not approved by regulators	Not exceeded
	Sulfuretted hydrogen	Organised emission	1	Sewage treatment station in the south of the workshop	0.014 mg/m ³		0.0001	Not approved by regulators	Not exceeded
	Fume	Organised emission	1	East of the factory area	0.354 mg/m ³	Emission Standard of Cooking Fume (Trial) (GB18483-2001)	0.0012	Not approved by regulators	Not exceeded
	VOCs	Organised emission	11	South, north and middle of the workshop, the north-eastern corner of the factory area	0.928 mg/m ³	Implementation with reference to Emission Standard of VOCs from Industrial Enterprises in Tianjin City (DB12/524-2014)	2.6068	78.2163	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 outlet	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 (Pingshan)")	VOCs	-	-	-	Discontinued	Emission Standard of Air Pollutants (GB16297)	Discontinued	Not approved by regulators	Not exceeded
	Particulate matter	-	-	-	Discontinued		Discontinued	Not approved by regulators	Not exceeded
Dongguan Southern CIMC Logistic Equipment Manufacturing Co., Ltd. ("Dongguan Southern CIMC")	Odour concentration	Organised emission	1	South of the phase I workshop	1737.5 (dimensionless)	Emission Standards for Odour Pollutants (GB14554-93)	-	Not approved by regulators	Not exceeded
	Ammonia	Organised emission	1	South of the phase I workshop	0.665 mg/m ³		0.0114	Not approved by regulators	Not exceeded
	Sulfuretted hydrogen	Organised emission	1	South of the phase I workshop	0.185 mg/m ³		0.0017	Not approved by regulators	Not exceeded
	SS	Organised emission	2	Southern boundary	131.000 mg/L	Discharge Limits of Water Pollutants (DB44/26-2001)	2.0060	Not approved by regulators	Not exceeded
	PH	Organised emission	2	Southern boundary	6.99 (dimensionless)		-	Not approved by regulators	Not exceeded
	BOD5	Organised emission	2	Southern boundary	77.480 mg/L		1.1790	Not approved by regulators	Not exceeded
	Ammonia nitrogen	Organised emission	2	Southern boundary	42.450 mg/L		0.6400	Not approved by regulators	Not exceeded
	CODcr	Organised emission	2	Southern boundary	265.500 mg/L		4.0470	Not approved by regulators	Not exceeded
	Animal and vegetable oil	Organised emission	2	Southern boundary	1.035 mg/L		0.0150	Not approved by regulators	Not exceeded
	Phosphate	Organised emission	2	Southern boundary	14.875 mg/L		0.2250	Not approved by regulators	Not exceeded
	Noise (boundary)	Fugitive emission	-	Boundary	Daytime: 63.25 dB Night: 52.66 dB	Emission Standard for Industrial Enterprise Noise at Boundary (GB12348-2008)	-	Not approved by regulators	Not exceeded
	Total methylbenzene and xylene	Organised emission	2	2 in phase I pre-treatment workshop	0.1195 mg/m ³	Emission Standard of Volatile Organic Compounds for Container Manufacturing (DB44/1837-2016)	0.0185	Not approved by regulators	Not exceeded
	Benzene	Organised emission	2	2 in phase I pre-treatment workshop	0.0722 mg/m ³		0.0174	Not approved by regulators	Not exceeded
VOCs	Organised emission	7	3 in northwest of phase I workshop, 1 in southwest of phase I workshop, 1 in south of phase I workshop and 2 in phase I pre-treatment workshop	3.740 mg/m ³		5.7008	48.7500	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 outlet	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")	Sulphur dioxide	Organised emission	6	3 in northwest of phase I workshop, 1 in southwest of phase I workshop, 2 in phase I pre-treatment workshop	ND (not detected)	Emission Limits of Air Pollutants (DB44/27-2001)	0	0.3774	Not exceeded
	NOX	Organised emission	6	3 in northwest of phase I workshop, 1 in southwest of phase I workshop, 2 in phase I pre-treatment workshop	ND (not detected)		0	6.9888	Not exceeded
	Manganese and its compounds	Organised emission	4	In the phase I workshop	0.1238 mg/m ³		0.0699	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	17	4 in the phase I workshop, 4 at the northwest of the phase I workshop, 3 at the northwest of the phase I workshop, 1 at the southwest of the phase I workshop, 5 in the phase I pre-treatment workshop	3.900 mg/m ³		13.3190	Not approved by regulators	Not exceeded
	Nitric oxide	Organised emission	6	2 in the west of the #1 workshop, 1 in the east of the #1 workshop, 3 in the east of the #2 workshop	32.000 mg/m ³	Shandong Provincial Standard – Regional and Integrated Emission Standard of Air Pollutants (DB37 2376-2019)	0.6190	2.4640	Not exceeded
	Sulphur dioxide	Organised emission	6	2 in the west of the #1 workshop, 1 in the east of the #1 workshop, 3 in the east of the #2 workshop	9.000 mg/m ³		0.0120	0.2800	Not exceeded
	Particulate matter	Organised emission	24	7 in the west of the #1 workshop, 4 in the east of the #1 workshop, 12 in the east of the #2 workshop, 1 in the west of the #3 workshop	4.900 mg/m ³		2.0420	4.7470	Not exceeded
	COD	Sewage collection pipes	1	1 at the north side of the factory area	15.000 mg/L	Wastewater Quality Standards for Discharge to Municipal Sewers (GBT 31962-2015)	0.3750	2.6800	Not exceeded
	SS	Sewage collection pipes	1	1 at the north side of the factory area	49.000 mg/L		0.2900	1.1900	Not exceeded
	Ammonia nitrogen	Sewage collection pipes	1	1 at the north side of the factory area	1.010 mg/L		0.0097	0.1800	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 outlet	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")	Xylene	Organised emission	8	2 in the west of the #1 workshop, 1 in the east of the #1 workshop, 4 in the east of the #2 workshop, 1 in the west of the #3 workshop	9.900 mg/m ³	Emission Standard of Volatile Organic Compounds Part 5: Surface Coating Industry (DB37-2801.5-2018)	1.0210	2.8850	Not exceeded
	VOCs	Organised emission	8	1 in the west of the #1 workshop, 1 in the east of the #1 workshop, 4 in the east of the #2 workshop, 1 in the west of the #3 workshop	19.800 mg/m ³		2.6630	7.2600	Not exceeded
	VOCs	Organised emission	9	1 in the north of the #1 workshop, 3 in the south of the #1 workshop, 2 in the south of the #2 workshop, 3 in the south of the #3 workshop	19.200 mg/m ³	Emission Standard of Volatile Organic Compounds Part 5: Surface Coating Industry (DB37-2801.5-2018)	19.5140	63.5350	Not exceeded
	Xylene	Organised emission	9	1 in the north of the #1 workshop, 3 in the south of the #1 workshop, 2 in the south of the #2 workshop, 3 in the south of the #3 workshop	10.900 mg/m ³		6.6200	27.7050	Not exceeded
	Particulate matter	Organised emission	37	6 in the north of the #1 workshop, 10 in the south of the #1 workshop, 16 in the south of the #2 workshop, 5 in the south of the #3 workshop	4.600 mg/m ³	Shandong Provincial Standard - Regional and Integrated Emission Standard of Air Pollutants (DB37 2376-2019)	12.0800	35.8250	Not exceeded
	Sulphur dioxide	Organised emission	13	3 in the north of the #1 workshop, 3 in the south of the #1 workshop, 6 in the south of the #2 workshop, 1 in the south of the #3 workshop	6.000 mg/m ³		0.0600	0.8000	Not exceeded
	Nitric oxide	Organised emission	13	3 in the north of the #1 workshop, 3 in the south of the #1 workshop, 6 in the south of the #2 workshop, 1 in the south of the #3 workshop	38.000 mg/m ³		2.6820	7.0200	Not exceeded
	COD	Sewage collection pipes	2	1 in the west side of the factory area, 1 at the north side of the factory area	16.000 mg/L	Wastewater Quality Standards for Discharge to Municipal Sewers (GBT 31962-2015)	0.6300	12.2400	Not exceeded
	SS	Sewage collection pipes	2	1 in the west side of the factory area, 1 at the north side of the factory area	53.000 mg/L		1.2020	6.1200	Not exceeded
	Ammonia nitrogen	Sewage collection pipes	2	1 in the west side of the factory area, 1 at the north side of the factory area	1.180 mg/L		0.1360	0.7700	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 outlet	Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
Guangdong Xinhui CIMC Special Transportation Equipment Co., Ltd. ("XHCIMCS")	Particulate matter (sanding, welding fume)	Organised emission	24	East and middle of the factory area	20.010 g/m ³	Emission Limits of Air Pollutants DB/27-2001, Time Slot II Level II	12.5100	Not approved by regulators	Not exceeded
	Particulate matter (organic waste gas)	Organised emission	8	East and middle of the factory area	19.900 mg/m ³		13.9000	Not approved by regulators	Not exceeded
	Particulate matter (boundary)	Fugitive emission	-	-	0.320 mg/m ³		-	Not approved by regulators	Not exceeded
	VOCs (organic waste gas)	Organised emission	8	East and middle of the factory area	8.150 mg/m ³	Emission Standard of Volatile Organic Compounds for	5.6900	Not approved by regulators	Not exceeded
	Methylbenzene (organic waste gas)	Organised emission	8	East and middle of the factory area	0.340 mg/m ³	Container Manufacturing (DB44/1837-2016)	0.2400	Not approved by regulators	Not exceeded
	Benzene (boundary)	Fugitive emission	-	-	0.002 mg/m ³		-	Not approved by regulators	Not exceeded
	Methylbenzene (boundary)	Fugitive emission	-	-	0.010 mg/m ³		-	Not approved by regulators	Not exceeded
	Benzene (organic waste gas)	Organised emission	8	East and middle of the factory area	0.310 mg/m ³		0.2200	Not approved by regulators	Not exceeded
	Xylene (boundary)	Fugitive emission	-	-	0.040 mg/m ³		-	Not approved by regulators	Not exceeded
	VOCs (boundary)	Fugitive emission	-	-	0.580 mg/m ³		-	Not approved by regulators	Not exceeded
	Xylene (organic waste gas)	Organised emission	8	East and middle of the factory area	1.570 mg/m ³		1.0900	Not approved by regulators	Not exceeded
	Noise (boundary)	Fugitive emission	-	Boundary	Daytime: 57.50 dB Night: 47.25 dB	Emission Standard for Industrial Enterprise Noise at Boundary (GB12348-2008) Standard Class II	-	Not approved by regulators	Not exceeded
	Xinhui CIMC Container Co., Ltd. ("XHCIMC")	Xylene (organic waste gas)	Organised emission	5	Middle of the factory area	1.570 mg/m ³	Emission Standard of Volatile Organic Compounds for	0.7300	Not approved by regulators
Methylbenzene (organic waste gas)		Organised emission	5	Middle of the factory area	0.570 mg/m ³	Container Manufacturing (DB44/1837-2016)	0.2600	Not approved by regulators	Not exceeded
Benzene (organic waste gas)		Organised emission	5	Middle of the factory area	0.340 mg/m ³		0.1600	Not approved by regulators	Not exceeded
VOCs (boundary)		Fugitive emission	-	-	0.580 mg/m ³		-	Not approved by regulators	Not exceeded
Xylene (boundary)		Fugitive emission	-	-	0.040 mg/m ³		-	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 outlet	Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
	Methylbenzene (boundary)	Fugitive emission	-	-	0.010 mg/m ³		-	Not approved by regulators	Not exceeded
	Benzene (boundary)	Fugitive emission	-	-	0.002 mg/m ³		-	Not approved by regulators	Not exceeded
	VOCs (organic waste gas)	Organised emission	5	Middle of the factory area	12.630 mg/m ³		5.8800	Not approved by regulators	Not exceeded
	Particulate matter (boiler)	Organised emission	1	Middle of the factory area	9.460 mg/m ³	Boiler Air Pollutant Discharge Standard DB44/765-2019	0.3500	Not approved by regulators	Not exceeded
	Ringelmann emittance (boiler)	Organised emission	1	Middle of the factory area	Level 1		-	Not approved by regulators	Not exceeded
	Carbon monoxide (boiler)	Organised emission	1	Middle of the factory area	50.130 mg/m ³		1.8400	Not approved by regulators	Not exceeded
	Nitric oxide (boiler)	Organised emission	1	Middle of the factory area	58.440 mg/m ³		2.1400	Not approved by regulators	Not exceeded
	Sulphur dioxide (boiler)	Organised emission	1	Middle of the factory area	2.580 mg/m ³		0.0900	Not approved by regulators	Not exceeded
	Particulate matter (sanding, welding fume)	Organised emission	14	Middle and northeast of the factory area	20.180 mg/m ³	Emission Limits of Air Pollutants DB44/27-2001	6.5800	Not approved by regulators	Not exceeded
	Particulate matter (boundary)	Fugitive emission	-	-	0.320 mg/m ³		-	Not approved by regulators	Not exceeded
	Particulate matter (organic waste gas)	Organised emission	5	Middle of the factory area	24.480 mg/m ³		11.4100	Not approved by regulators	Not exceeded
	Noise (boundary)	Fugitive emission	-	Boundary	Daytime: 57.50 dB Night: 47.25 dB	Emission Standard for Industrial Enterprise Noise at Boundary (GB12348-2008) Standard Class II	-	Not approved by regulators	Not exceeded
	COD (domestic sewage)	Organised emission	1	Northwest of the factory area	28.500 mg/L	Discharge Limits of Water Pollutants DB/44-26-2001	3.5600	Not approved by regulators	Not exceeded
	PH (domestic sewage)	Organised emission	1	Northwest of the factory area	7.69 (dimensionless)		-	Not approved by regulators	Not exceeded
	Ammonia nitrogen (domestic sewage)	Organised emission	1	Northwest of the factory area	0.180 mg/L		0.0210	Not approved by regulators	Not exceeded
	BOD5 (domestic sewage)	Organised emission	1	Northwest of the factory area	7.100 mg/L		0.9000	Not approved by regulators	Not exceeded
	SS (domestic sewage)	Organised emission	1	Northwest of the factory area	7.000 mg/L		0.8900	Not approved by regulators	Not exceeded
	Wastewater flow (domestic sewage)	Organised emission	1	Northwest of the factory area	32.84 m ³ /h	-	-	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 outlet	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")	BOD5	Sewage collection pipes	1	West of the factory area	106.510 mg/L (average concentration)	Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015)	0.1680	Not approved by regulators	Not exceeded
	Total phosphorus (in terms of P)	Sewage collection pipes	1	West of the factory area	0.170 mg/L (average concentration)	Standard Class A	0.0003	Not approved by regulators	Not exceeded
	Total nitrogen (in terms of N)	Sewage collection pipes	1	West of the factory area	17.880 mg/L (average concentration)		0.0270	Not approved by regulators	Not exceeded
	Ammonia nitrogen	Sewage collection pipes	1	West of the factory area	8.270 mg/L (average concentration)		0.0120	Not approved by regulators	Not exceeded
	COD	Sewage collection pipes	1	West of the factory area	401.230 mg/L (average concentration)		0.5600	Not approved by regulators	Not exceeded
	SS	Sewage collection pipes	1	West of the factory area	18.290 mg/L (average concentration)		0.0270	Not approved by regulators	Not exceeded
	Sulfuretted hydrogen	Organised emission	1	Sewage treatment station	0.020 mg/m ³ (average concentration)	Emission Standards for Odour Pollutants (GB14554-93)	0.0003	Not approved by regulators	Not exceeded
	Ammonia (ammonia gas)	Organised emission	1	Sewage treatment station	32.400 mg/m ³ (average concentration)		0.4300	Not approved by regulators	Not exceeded
	Benzene	Organised emission	2	North of the assembly workshop	0.100 mg/m ³ (average concentration)	Shandong Provincial Standard - Emission Standard of Volatile Organic Compounds Part 5 (DB37/2801.5-2018)	0.0039	Not approved by regulators	Not exceeded
	VOCs	Organised emission	6	North of the assembly workshop	6.750 mg/m ³ (average concentration)		2.2900	Not approved by regulators	Not exceeded
	Xylene	Organised emission	6	North of the assembly workshop	1.820 mg/m ³ (average concentration)		0.6200	Not approved by regulators	Not exceeded
	Methylbenzene	Organised emission	6	North of the assembly workshop	0.370 mg/m ³ (average concentration)		0.1240	Not approved by regulators	Not exceeded
	Sulphur dioxide	Organised emission	6	North of the assembly workshop	ND (not detected)	Shandong Provincial Standard - Regional and Integrated	0	Not approved by regulators	Not exceeded
	Nitric oxide	Organised emission	6	North of the assembly workshop	2.250 mg/m ³ (average concentration)	Emission Standard of Air Pollutants (DB37/2376-2019)	0.7600	Not approved by regulators	Not exceeded
Particulate matter	Organised emission	18	Northern part of the factory area	2.990 mg/m ³ (average concentration)		2.5400	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 outlet	Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
Zhangzhou CIMC Container Co., Ltd. ("Zhangzhou CIMC")	Fume	Organised emission	2	East of the factory area	0.200 mg/m ³	Emission Standard of Cooking Fume (GB18483)	0.0070	Not approved by regulators	Not exceeded
	Noise (Boundary)	Fugitive emission	-	Boundary	Daytime: 59.38 dB Night: 51.38 dB	Emission Standard for Industrial Enterprise Noise at Boundary (GB12348) Standard Class III	-	Not approved by regulators	Not exceeded
	Blackness	Organised emission	5	Middle of the factory area	<Level 1	Boiler Air Pollutant Discharge Standard (GB13271)	-	Not approved by regulators	Not exceeded
	Smoke	Organised emission	5	Middle of the factory area	9.700 mg/m ³		0.1390	Not approved by regulators	Not exceeded
	Nitric oxide	Organised emission	5	Middle of the factory area	132.400 mg/m ³		0.7690	Not approved by regulators	Not exceeded
	Sulphur dioxide	Organised emission	5	Middle of the factory area	5.000 mg/m ³		0.0190	Not approved by regulators	Not exceeded
	Non-methane hydrocarbon	Organised emission	7	East of the factory area	17.200 mg/m ³	Emission Standard of Volatile Organic Compounds for Industrial Surface Coating (DB35/1783)	17.0490	Not approved by regulators	Not exceeded
	Xylene	Organised emission	3	East of the factory area	0.840 mg/m ³		0.0452	Not approved by regulators	Not exceeded
	Methylbenzene	Organised emission	3	East of the factory area	0.003 mg/m ³		0.0099	Not approved by regulators	Not exceeded
	Benzene	Organised emission	3	East of the factory area	0.003 mg/m ³		0.0002	Not approved by regulators	Not exceeded
Tianjin CIMC Containers Co., Ltd. ("TJICMC")	Particulate matter	Organised emission	10	East and middle of the factory area	20.000 mg/m ³	Integrated Emission Standard of Air Pollutants (GB16297)	6.2290	Not approved by regulators	Not exceeded
	Non-methane hydrocarbon (boundary of the pre-treatment #2 and #3 workshop)	Fugitive emission	-	-	1.180 mg/m ³	Emission Standard of VOCs from Industrial Enterprises DB12/524-2020	-	Not approved by regulators	Not exceeded
	Non-methane hydrocarbon (boundary of the pre-treatment #1 workshop)	Fugitive emission	-	-	0.840 mg/m ³		-	Not approved by regulators	Not exceeded
	VOCs (in terms of TRVOC)	Organised emission	5	3 in the painting workshop, 2 in the pre-treatment workshop	1.080 mg/m ³		0.1230	Not approved by regulators	Not exceeded
	Total methylbenzene and xylene	Organised emission	2	2 in the pre-treatment workshop	1.452 mg/m ³		0.0690	Not approved by regulators	Not exceeded
	Non-methane hydrocarbon	Organised emission	5	3 in the painting workshop, 2 in the pre-treatment workshop	18.162 mg/m ³		1.6790	Not approved by regulators	Not exceeded
	Non-methane hydrocarbon (boundary of the coating workshop)	Fugitive emission	-	-	0.400 mg/m ³		-	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 outlet	Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
	VOCs	Organised emission	5	3 in the painting workshop, 2 in the pre-treatment workshop	4.590 mg/m ³	Emission Control Standard of Volatile Organic Compounds from Industrial Enterprises DB12/524-2014	0.4960	Not approved by regulators	Not exceeded
	Methylbenzene	Organised emission	2	2 in the pre-treatment workshop	0.852 mg/m ³		0.0390	Not approved by regulators	Not exceeded
	Xylene	Organised emission	2	2 in the pre-treatment workshop	0.285 mg/m ³		0.0130	Not approved by regulators	Not exceeded
	Xylene	Fugitive emission	-	-	0.024 mg/m ³		-	Not approved by regulators	Not exceeded
	Methylbenzene	Fugitive emission	-	-	0.027 mg/m ³		-	Not approved by regulators	Not exceeded
	VOCs (VOCs)	Fugitive emission	-	-	1.270 mg/m ³		-	Not approved by regulators	Not exceeded
	Sulphur dioxide	Organised emission	8	3 in the painting workshop, 3 in the pre-treatment workshop, 2 in the boiler	3.000 mg/m ³ (as the results for the first and second quarters of 2021 were "ND (not detected)", the limit of emission concentration is set at 3 mg/m ³)	Emission Standard of Air Pollutants for Industrial Kiln and Furnace DB12/556-2015; Boiler Air Pollutant Discharge Standard DB12/151-2020 for boilers	0.3130	Not approved by regulators	Not exceeded
	Nitric oxide	Organised emission	8	3 in the painting workshop, 3 in the pre-treatment workshop, 2 in the boiler	6.300 mg/m ³		0.4150	Not approved by regulators	Not exceeded
	Blackness of fume (dimensionless)	Organised emission	8	3 in the painting workshop, 3 in the pre-treatment workshop, 2 in the boiler	<Level 1		-	Not approved by regulators	Not exceeded
	Particulate matter (smoke)	Organised emission	8	3 in the painting workshop, 3 in the pre-treatment workshop, 2 in the boiler	3.380 mg/m ³		0.8000	Not approved by regulators	Not exceeded
	Noise (boundary)	Fugitive emission	-	Boundary	Daytime: 59 dB Night: 47.25 dB	Emission Standard for Industrial Enterprise Noise at Boundary GB12348-2008	-	Not approved by regulators	Not exceeded
	Total nitrogen	Sewage collection pipes (no external emission)	1	Southwest of the factory area	7.294 mg/L	Integrated Wastewater Discharge Standard DB12/356-2018	-	Not approved by regulators	Not exceeded
	COD	Sewage collection pipes (no external emission)	1	Southwest of the factory area	16.000 mg/L		-	Not approved by regulators	Not exceeded
	Ammonia nitrogen	Sewage collection pipes (no external emission)	1	Southwest of the factory area	3.951 mg/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 outlet	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")	PH	Sewage collection pipes (no external emission)	1	Southwest of the factory area	7.495 (dimensionless)		-	Not approved by regulators	Not exceeded
	Animal and vegetable oil	Sewage collection pipes (no external emission)	1	Southwest of the factory area	0.325 mg/L		-	Not approved by regulators	Not exceeded
	SS	Sewage collection pipes (no external emission)	1	Southwest of the factory area	43.500 mg/L		-	Not approved by regulators	Not exceeded
	Total phosphorus (in terms of P)	Sewage collection pipes (no external emission)	1	Southwest of the factory area	0.515 mg/L		-	Not approved by regulators	Not exceeded
	BOD5	Sewage collection pipes (no external emission)	1	Southwest of the factory area	6.950 mg/L		-	Not approved by regulators	Not exceeded
	Particulate matter	Fugitive emission	-	-	0.082 mg/m ³	Integrated Emission Standard of Air Pollutants GB16297-1996	-	Not approved by regulators	Not exceeded
	Particulate matter (general dust)	Organised emission	18	18 in the welding workshop	2.740 mg/m ³		1.2470	Not approved by regulators	Not exceeded
	Particulate matter (general dust)	Organised emission	11	8 in shot blasting and 3 in sanding workshops	2.600 mg/m ³		0.9410	Not approved by regulators	Not exceeded
	Odour concentration	Organised emission	5	3 in the painting workshop, 2 in the pre-treatment workshop	89.500 (dimensionless)	Emission Standards for Odour Pollutants DB12/059-2018	-	Not approved by regulators	Not exceeded
	Sulfuretted hydrogen	Fugitive emission	-	-	ND (not detected)		-	Not approved by regulators	Not exceeded
	Ammonia (ammonia gas)	Fugitive emission	-	-	0.140 mg/m ³		-	Not approved by regulators	Not exceeded
	Odour concentration	Fugitive emission	-	-	<10 dimensionless		-	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	38	Pre-treatment line, welding line and full container sanding line	6.800 mg/m ³	Emission Standard of Air Pollutants for Industrial Surface Coating (DB33/2146) Form 1	11.4700	Not approved by regulators	Not exceeded
	NOx	Organised emission	2	Paint line	0.610 mg/m ³		0.0300	2.1100	Not exceeded
	Xylene	Organised emission	2	Pre-treatment line and spray mark line	0.040 mg/m ³		0.0268	Not approved by regulators	Not exceeded
	Methylbenzene	Organised emission	2	Pre-treatment line and spray mark line	0mg/m ³		0.0003	Not approved by regulators	Not exceeded
	Non-methane hydrocarbon	Organised emission	8	Pre-treatment line, paint line, black paint line, spray mark line	12.460 mg/m ³		7.1080	Not approved by regulators	Not exceeded
	VOCs	Organised emission	8	Pre-treatment line, paint line, black paint line, spray mark line	13.900 mg/m ³		8.1400	218.0780	Not exceeded
	Noise (boundary)	Fugitive emission	-	Boundary	Daytime: 51.1 dB Night: 47.87 dB	Emission Standard for Industrial Enterprise Noise at Boundary (GB12304-2008)	-	-	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 outlet	Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
Taicang CIMC Containers Co., Ltd. ("TCCIMC")	Ammonia nitrogen	Sewage collection pipes	1	Main outlet of wastewater	0.137 mg/L	Zhejiang Provincial Standard – Indirect Discharge for Emission Limitation of Nitrogen and Phosphorus for Industrial Wastewater DB33/887–2013	0.0049	0.1100	Not exceeded
	CODcr	Sewage collection pipes	1	Main outlet of wastewater	24.000 mg/L	Integrated Wastewater Discharge Standard (GB8978)	0.1050	1.0900	Not exceeded
	PH	Sewage collection pipes	1	Main outlet of wastewater	6.9 (dimensionless)	Standard III	–	–	Not exceeded
	Petroleum	Sewage collection pipes	1	Main outlet of wastewater	3.810 mg/L		0.1500	Not approved by regulators	Not exceeded
	SS	Sewage collection pipes	1	Main outlet of wastewater	6.000 mg/L		0.2040	Not approved by regulators	Not exceeded
	Total phosphorus (in terms of P)	Sewage collection pipes	1	Main outlet of wastewater	0 mg/L		0	Not approved by regulators	Not exceeded
	Total nitrogen (in terms of N)	Sewage collection pipes	1	Main outlet of wastewater	0.137 mg/L		0.0049	Not approved by regulators	Not exceeded
	Methylbenzene	Organised emission	3	South of the welding workshop at B Line	0.012 mg/m ³	Integrated Emission Standard of Air Pollutants (GB16297–1996)	0.0032	Not approved by regulators	Not exceeded
	Xylene	Organised emission	3	South of the welding workshop at B Line	0.154 mg/m ³		0.1700	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	8	South and northeast of the welding workshop at B Line	5.660 mg/m ³		1.4600	6.4800	Not exceeded
	VOCs	Organised emission	3	South of the welding workshop at B Line	0.920 mg/m ³	Technical Methods for Making Local Emission Standards of Air Pollutants	0.3700	32.4650	Not exceeded
	Rainwater COD	Direct emission	2	Gate 6 and south of main road	37.000 mg/L	Integrated Wastewater Discharge Standard	–	Not approved by regulators	Not exceeded
	Rainwater SS	Direct emission	2	Gate 6 and south of main road	7.500 mg/L		–	Not approved by regulators	Not exceeded
	Rainwater PH	Direct emission	2	Gate 6 and south of main road	7.1 (dimensionless)		–	Not approved by regulators	Not exceeded
Nantong CIMC Special Transportation Equipment Manufacture Co., Ltd. ("NTCIMCS")	Xylene	Organised emission	4	Middle of the factory area	0.140 mg/m ³	Integrated Emission Standard of Air Pollutants (GB16297–1996)	0.1570	Not approved by regulators	Not exceeded
Methylbenzene	Organised emission	4	Middle of the factory area	0.080 mg/m ³		0.0900	Not approved by regulators	Not exceeded	
Particulate matter	Organised emission	14	Middle of the factory area	1.683 mg/m ³		2.8600	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 outlet	Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission	
Shanghai CIMC Baowell Industries Co. Ltd. ("CIMC Baowell")	Anionic surfactant	Intermittent emission	1	East of the factory area	ND (not detected)	Integrated Wastewater Discharge Standard (GB8978-1996)	0	Not approved by regulators	Not exceeded	
	BOD	Intermittent emission	1	East of the factory area	5.600 mg/L		0.1634	Not approved by regulators	Not exceeded	
	Animal and vegetable oil	Intermittent emission	1	East of the factory area	ND (not detected)		0	Not approved by regulators	Not exceeded	
	Petroleum	Intermittent emission	1	East of the factory area	0.160 mg/L		0.0047	Not approved by regulators	Not exceeded	
	Xylene	Intermittent emission	1	East of the factory area	ND (not detected)		0	Not approved by regulators	Not exceeded	
	Methylbenzene	Intermittent emission	1	East of the factory area	ND (not detected)		0	Not approved by regulators	Not exceeded	
	SS	Intermittent emission	2	East of the factory area + dormitory area	19.770 mg/L		1.6600	Not approved by regulators	Not exceeded	
	Total nitrogen (in terms of N)	Intermittent emission	2	East of the factory area + dormitory area	25.220 mg/L		2.1200	8.2860	Not exceeded	
	CODcr	Intermittent emission	2	East of the factory area + dormitory area	59.690 mg/L		5.0300	50.0490	Not exceeded	
	Total phosphorus (in terms of P)	Intermittent emission	2	East of the factory area + dormitory area	2.390 mg/L		Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015)	0.2000	0.4290	Not exceeded
	Ammonia nitrogen	Intermittent emission	2	East of the factory area + dormitory area	22.580 mg/L	1.9000		5.3270	Not exceeded	
	Ethyl acetate	Organised emission	4	Middle of the factory area	0.0041 mg/m ³	Integrated Emission Standard of Air Pollutants in Shanghai City (DB31/933-2015)		0.0046	Not approved by regulators	Not exceeded
	VOCs	Organised emission	4	Middle of the factory area	0.203 mg/m ³		Tianjin Municipal Integrated Emission Standard of Air Pollutants	0.2270	144.76	Not exceeded
	Xylene	Organised emission	2	South and north of the factory area	0.301 mg/m ³		Integrated Emission Standard of Air Pollutants DB31/933-2015	0.0380	Not approved by regulators	Not exceeded
	VOCs	Organised emission	4	South and north of the factory area	9.200 mg/m ³	1.8200		46.1200	Not exceeded	
Particulate matter	Organised emission	17	South and north of the factory area	5.530 mg/m ³	3.7390	31.6230	Not exceeded			
Sulphur dioxide	Organised emission	4	South and north of the factory area	3.000 mg/m ³	0.8870	2.0400	Not exceeded			
Nitric oxide	Organised emission	4	South and north of the factory area	3.000 mg/m ³	1.0800	2.9200	Not exceeded			
4-Methyl-2-pentanone	Organised emission	2	South and north of the factory area	0.011 mg/m ³	Emission Standards for Odour Pollutants DB31/1025-2016	0.0021	Not approved by regulators	Not exceeded		
Odour concentration	Organised emission	3	South and north of the factory area	98 (dimensionless)		-	Not approved by regulators	Not exceeded		

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Shanghai CIMC Yangshan Logistics Equipments Co., Ltd. ("CIMC Yangshan")	Benzene	Boundary	-	-	ND (not detected)	Integrated Emission Standard of Air Pollutants DB31/933-2015	-	Not approved by regulators	Not exceeded
	Particulate matter	Boundary	-	-	0.228 mg/m ³		-	Not approved by regulators	Not exceeded
	Non-methane hydrocarbon	Boundary	-	-	0.560 mg/m ³		-	Not approved by regulators	Not exceeded
	Methylbenzene	Boundary	-	-	ND (not detected)		-	Not approved by regulators	Not exceeded
	Total dissolved solids	Sewage collection pipes	1	Main outlet of wastewater	346.000 mg/L	Integrated Wastewater Discharge Standard DB31/199-2018	13.9194	Not approved by regulators	Not exceeded
	Total nitrogen	Sewage collection pipes	1	Main outlet of wastewater	9.430 mg/L		0.3794	5.9250	Not exceeded
	BOD5	Sewage collection pipes	1	Main outlet of wastewater	147.000 mg/L		5.9138	Not approved by regulators	Not exceeded
	Total phosphorus	Sewage collection pipes	1	Main outlet of wastewater	0.090 mg/L		0.0036	Not approved by regulators	Not exceeded
	Anionic surfactant	Sewage collection pipes	1	Main outlet of wastewater	1.020 mg/L		0.0410	Not approved by regulators	Not exceeded
	Petroleum	Sewage collection pipes	1	Main outlet of wastewater	0.075 mg/L		0.0030	Not approved by regulators	Not exceeded
	COD	Sewage collection pipes	1	Main outlet of wastewater	40.000 mg/L		-	-	Not exceeded
	Noise (boundary)	Fugitive emission	-	Boundary	Daytime: 58.25 dB	Emission Standard for Industrial Enterprise Noise at Boundary (GB12348-2008)	-	-	Not exceeded
	Xylene	Boundary	-	-	ND (not detected)	Integrated Emission Standard of Air Pollutants DB31/933-2015	-	Not approved by regulators	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	0.150 mg/m ³		0.0414	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	
VOCs	Organised emission	4	Pre-treatment sanding line, primer paint line, intermediary paint line, exterior paint line	5.100 mg/m ³		1.0189	19.2570	Not exceeded	
Benzene	Organised emission	1	Pre-treatment sanding line	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 outlet	Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
	Fume	Organised emission	2	The small canteen, the great canteen	0.150 mg/m ³	Emission Standard of Cooking Fume DB31/844-2012	0.0459	Not approved by regulators	Not exceeded
	Animal and vegetable oil	Sewage collection pipes	1	Main outlet of wastewater	15.900 mg/L	Integrated Wastewater Discharge Standard	0.6397	Not approved by regulators	Not exceeded
	Sulphide	Sewage collection pipes	1	Main outlet of wastewater	0.225 mg/L	DB31/199-2018	0.0091	Not approved by regulators	Not exceeded
	PH	Sewage collection pipes	1	Main outlet of wastewater	7.36 (dimensionless)		-	Not approved by regulators	Not exceeded
	Ammonia nitrogen	Sewage collection pipes	1	Main outlet of wastewater	0.180 mg/L		0.0072	2.4000	Not exceeded
	COD	Sewage collection pipes	1	Main outlet of wastewater	21.000 mg/L		0.8448	34.2200	Not exceeded
	SS	Sewage collection pipes	1	Main outlet of wastewater	23.000 mg/L		0.9253	Not approved by regulators	Not exceeded
	Ammonia gas	Boundary	-	-	0.190 mg/m ³	Emission Standards for Odour	-	-	Not exceeded
	Odour	Boundary	-	-	ND (not detected)	Pollutants DB31/1025-2016	-	-	Not exceeded
	Sulfuretted hydrogen	Boundary	-	-	ND (not detected)		-	-	Not exceeded
	Ammonia gas	Organised emission	1	Primer paint	0.110 mg/m ³		0.0251	Not approved by regulators	Not exceeded
	Odour	Organised emission	1	Primer paint	152 (dimensionless)		-	-	Not exceeded
	Sulfuretted hydrogen	Organised emission	1	Primer paint	0.0046 mg/m ³		0.0004	Not approved by regulators	Not exceeded
	Nitric oxide	Organised emission	1	Production boiler	17.000 mg/m ³	Boiler Air Pollutant Discharge Standard DB31/387-2018	0.1505	0.65857	Not exceeded
	sulphur dioxide	Organised emission	1	Production boiler	ND (not detected)		-	0.007338	Not exceeded
CIMC Taicang Refrigeration Equipment Logistics Co., Ltd. ("TCCRC")	Xylene	Organised emission	8	South and north of #3 workshop, south and north of #1 workshop,	2.170 mg/m ³ (average concentration)	Emission Standard of Volatile Organic Compounds for Surface Coating (Vehicle Manufacturing Industry) DB44/816-2010	1.2530	Not approved by regulators	Not exceeded
	Methylbenzene	Organised emission	3	Northwest of #3 workshop, the pre-treatment workshop, northeast of #1 workshop	0.200 mg/m ³ (average concentration)		0.1666	Not approved by regulators	Not exceeded
	Isopropyl alcohol	Organised emission	6	South and north of #3 workshop, south and north of #1 workshop,	0.200 mg/m ³ (average concentration)		0.0622	Not approved by regulators	Not exceeded
	VOCs	Organised emission	8	South and north of #3 workshop, south and north of #1 workshop,	5.312 mg/m ³ (average concentration)		3.0100	99.3500	Not exceeded
	Particulate matter	Organised emission	15	North of #3 factory, both sides of the assembly, north of #1 workshop	1.40625 mg/m ³ (average concentration)	Integrated Emission Standard of Air Pollutants (GB16297-1996)	2.2166	22.2800	Not exceeded

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Taicang CIMC Special Logistics Equipment Co. Ltd. ("Taicang Special Equipment")	SS	Sewage collection pipes	1	North of Gate 1 of the workshop	120.000 mg/L	Integrated Wastewater Discharge Standard (GB 8978-1996) Table 4 Level 3, Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T 31962-2015) Table 1 Level A	3.2200	Not approved by regulators	Not exceeded
	Anionic surfactant	Sewage collection pipes	1		1.750 mg/L		0.0470	Not approved by regulators	Not exceeded
	COD	Sewage collection pipes	1		200.000 mg/L		5.3000	Not approved by regulators	Not exceeded
	Total nitrogen (in terms of N)	Sewage collection pipes	1		21.100 mg/L		0.5700	Not approved by regulators	Not exceeded
	Total phosphorus (in terms of P)	Sewage collection pipes	1		3.000 mg/L		0.0800	Not approved by regulators	Not exceeded
	Ammonia nitrogen (NH ₃ -N)	Sewage collection pipes	1		13.700 mg/L		0.3700	Not approved by regulators	Not exceeded
	Rainwater COD	Direct emission	2	Gate 4 and north of the main road	22.500 mg/L	Integrated Wastewater Discharge Standard	-	Not approved by regulators	Not exceeded
	Rainwater SS	Direct emission	2	Gate 4 and north of the main road	6.000 mg/L		-	Not approved by regulators	Not exceeded
	Rainwater PH	Direct emission	2	Gate 4 and north of the main road	7.3 (dimensionless)		-	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	11	South of finished workshop and northwest of pre-treatment workshop at A line	1.460 mg/m ³	Integrated Emission Standard of Air Pollutants (GB16297-1996)	0.8300	8.6400	Not exceeded
Zhumadian CIMC Huajun Vehicle Co., Ltd. ("CIMC Huajun Vehicle")	Methylbenzene	Organised emission	5	South of finished workshop and west of pre-treatment workshop at A line	0.260 mg/m ³		0.0960	Not approved by regulators	Not exceeded
	Xylene	Organised emission	5	South of finished workshop and west of pre-treatment workshop at A line	1.070 mg/m ³		0.4200	Not approved by regulators	Not exceeded
	Normal butyl alcohol	Organised emission	5	South of finished workshop and west of pre-treatment workshop at A line	5.450 mg/m ³	Technical Methods for Making Local Emission Standards of Air Pollutants	1.8500	Not approved by regulators	Not exceeded
	VOCs	Organised emission	5	South of finished workshop and west of pre-treatment workshop at A line	7.540 mg/m ³		2.9300	77.5370	Not exceeded
	Methylbenzene	Organised emission	11	The outer edge of coating workshop	1.010 mg/m ³	Emission Standard of Volatile Organic Compounds for Industrial Surface Coating DB41/1951-2020	0.2720	Not approved by regulators	Not exceeded
	Xylene	Organised emission	11	The outer edge of coating workshop	7.210 mg/m ³		2.4990	Not approved by regulators	Not exceeded
	Non-methane hydrocarbon	Organised emission	11	The outer edge of coating workshop	24.000 mg/m ³		9.1700	58.8350	Not exceeded
Particulate matter	Organised emission	7	The outer edge of sanding workshop	8.800 mg/m ³	Integrated Emission Standard of Air Pollutants GB16297-1996	0.6870	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 outlet	Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
Yangzhou CIMC Tong Hua Special Vehicles Co., Ltd. ("Yangzhou CIMC Tong Hua")	COD	Indirect emission	1	Main outlet of wastewater	36.280 mg/L	Integrated Wastewater Discharge Standard GB 8978-1996	0.1780	3.4440	Not exceeded
	Ammonia nitrogen	Indirect emission	1	Main outlet of wastewater	10.350 mg/L		0.0500	0.4750	Not exceeded
	BOD5	Indirect emission	1	Main outlet of wastewater	7.620 mg/L		0.0367	Not approved by regulators	Not exceeded
	PH	Indirect emission	1	Main outlet of wastewater	7.76 (dimensionless)		-	Not approved by regulators	Not exceeded
	Total phosphorus	Indirect emission	1	Main outlet of wastewater	0.710 mg/L		0.0046	Not approved by regulators	Not exceeded
	Fluoride	Indirect emission	1	Main outlet of wastewater	0.220 mg/L		0.0027	Not approved by regulators	Not exceeded
	Anionic surfactant	Indirect emission	1	Main outlet of wastewater	ND (not detected)		0	Not approved by regulators	Not exceeded
	Petroleum	Indirect emission	1	Main outlet of wastewater	0.250 mg/L		0.0011	Not approved by regulators	Not exceeded
	Phosphate	Indirect emission	1	Main outlet of wastewater	0.600 mg/L		0.0027	0.0316	Not exceeded
	SS	Indirect emission	1	Main outlet of wastewater	7.750 mg/L		0.0611	Not approved by regulators	Not exceeded
	Methylbenzene	Organised emission	2	Semi-trailer coating workshop, tank truck coating workshop	0.057 mg/m ³	Emission Standard of Volatile Organic Compounds for Surface Coating (Vehicle Manufacturing Industry) DB32/2862-2016	0.0040	Not approved by regulators	Not exceeded
	Xylene	Organised emission	2	Semi-trailer coating workshop, tank truck coating workshop	0.075 mg/m ³		0.0312	Not approved by regulators	Not exceeded
	VOCs	Organised emission	12	Semi-trailer KTL workshop, coating workshop, hazardous waste warehouse; tank truck coating workshop, paint refinishing room, hazardous waste warehouse	25.800 mg/m ³		1.2538	4.6740	Not exceeded
	Total phosphorus	Indirect emission	2	Main outlet at the semi-trailer factory, main outlet at the tank truck factory	4.003 mg/L	Wastewater Quality Standards for Discharge to Municipal Sewers GB/T31962-2015 (Grade B), Integrated Wastewater Discharge Standard GB8978-1996 (Level III)	0.4889	1.0060	Not exceeded
	COD	Indirect emission	2	Main outlet at the semi-trailer factory, main outlet at the tank truck factory	203.600 mg/L		27.0334	103.8420	Not exceeded
Total nitrogen	Indirect emission	2	Main outlet at the semi-trailer factory, main outlet at the tank truck factory	34.100 mg/L		3.4086	9.9740	Not exceeded	
Petroleum	Indirect emission	2	Main outlet at the semi-trailer factory, main outlet at the tank truck factory	0.590 mg/L		0.0621	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 outlet	Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
	Blackness of fume	Organised emission	5	Semi-trailer KTL workshop, bathroom; tank truck coating workshop, bathroom	<Level 1	Boiler Air Pollutant Discharge Standard GB13271-2014, Ringelmann emittance Level 1	-	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	6	Semi-trailer KTL workshop, coating workshop; tank truck coating workshop	17.800 mg/m ³	Integrated Emission Standard of Air Pollutants GB16297-1996	2.4008	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	2	Tank truck coating workshop, paint refinishing room	2.200 mg/m ³		0.3450	Not approved by regulators	Not exceeded
	SS	Indirect emission	2	Main outlet at the semi-trailer factory, main outlet at the tank truck factory	45.000 mg/L	Wastewater Quality Standards for Discharge to Municipal Sewers GB/T31962-2015 (Grade B), Integrated Wastewater Discharge Standard GB8978-1996 (Level III)	5.1650	Not approved by regulators	Not exceeded
	BOD5	Indirect emission	2	Main outlet at the semi-trailer factory, main outlet at the tank truck factory	77.400 mg/L		5.7408	Not approved by regulators	Not exceeded
	Anionic surfactant	Indirect emission	2	Main outlet at the semi-trailer factory, main outlet at the tank truck factory	1.750 mg/L		0.1993	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	5	Semi-trailer KTL workshop, bathroom; tank truck coating workshop, bathroom	11.900 mg/m ³	Boiler Air Pollutant Discharge Standard GB13271-2014	0.0295	Not approved by regulators	Not exceeded
	Sulphur dioxide	Organised emission	5	Semi-trailer KTL workshop, bathroom; tank truck coating workshop, bathroom	-		0.0021	Not approved by regulators	Not exceeded
	Nitric oxide	Organised emission	5	Semi-trailer KTL workshop, bathroom; tank truck coating workshop, bathroom	47.000 mg/m ³		0.1683	Not approved by regulators	Not exceeded
	Blackness of fume	Organised emission	10	Semi-trailer KTL workshop, coating workshop; tank truck coating workshop, paint refinishing room	<Level 1	Jiangsu Provincial Emission Standard of Air Pollutants for Industrial Kiln and Furnace DB32/3728-2020, Ringelmann emittance Level 1	-	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	11	Semi-trailer KTL workshop, coating workshop; tank truck coating workshop, paint refinishing workshop	15.600 mg/m ³	Jiangsu Provincial Emission Standard of Air Pollutants for Industrial Kiln and Furnace DB32/3728-2020	0.0859	Not approved by regulators	Not exceeded
	Sulphur dioxide	Organised emission	11	Semi-trailer KTL workshop, coating workshop; tank truck coating workshop, paint refinishing room	-		0.0963	Not approved by regulators	Not exceeded
	Nitric oxide	Organised emission	11	Semi-trailer KTL workshop, coating workshop; tank truck coating workshop, paint refinishing room	135.000 mg/m ³		0.7835	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 outlet	Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
	Phosphoric acid fume	Organised emission	1	Semi-trailer KTL workshop	ND (not detected)	Integrated Emission Standard of Air Pollutants in Shanghai City DB31/933-2015	0	Not approved by regulators	Not exceeded
	Nitric oxide	Organised emission	1	Tank truck coating workshop	1.000 mg/m ³	Integrated Emission Standard of Air Pollutants GB16297-1996	0.0146	Not approved by regulators	Not exceeded
	Fluoride	Organised emission	1	Tank truck coating workshop	1.510 mg/m ³		0.0274	Not approved by regulators	Not exceeded
	PH	Indirect emission	2	Main outlet at the semi-trailer factory, main outlet at the tank truck factory	7.138 (dimensionless)	Wastewater Quality Standards for Discharge to Municipal Sewers GB/T31962-2015 (Grade B), Integrated Wastewater Discharge Standard GB8978-1996 (Level III)	-	Not approved by regulators	Not exceeded
	Total nickel	Indirect emission	2	Main outlet at the semi-trailer factory, main outlet at the tank truck factory	0.119 mg/L		0.0007	0.008008	Not exceeded
	Total chromium	Indirect emission	1	Main outlet at the tank truck factory	ND (not detected)		0	0.00003	Not exceeded
	Fluoride	Indirect emission	1	Main outlet at the tank truck factory	0.440 mg/L		0.1103	Not approved by regulators	Not exceeded
	Ammonia nitrogen	Indirect emission	2	Main outlet at the semi-trailer factory, main outlet at the tank truck factory	19.710 mg/L		3.0292	5.7810	Not exceeded
CIMC -SHAC (Xi'An) Special Vehicle Co., Ltd. ("CIMC Xi'an Vehicle")	Particulate matter	Organised emission	8	1 outside the primer paint room, 2 outside the top paint room, 1 outside the small parts painting room, 2 outside the sanding room, 1 outside the eastern gate of the small parts team, 1 at the coating channel	17.200 mg/m ³	Integrated Emission Standard of Air Pollutants (GB16297-1996)	1.2596	Not approved by regulators	Not exceeded
	Sulphur 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)		0	Not approved by regulators	Not exceeded
	Nitric oxide	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)		0	Not approved by regulators	Not exceeded
	Methylbenzene	Organised emission	4	1 outside the primer paint room, 2 outside the top paint room, 1 outside the primer paint room	0.189 mg/m ³	Shaanxi Provincial Emission Control Standard of Volatile Organic Compounds (DB61/T1061-2017)	0.0187	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 primer paint room	0.586 mg/m ³		0.0620	Not approved by regulators	Not exceeded
	Non-methane hydrocarbon	Organised emission	4	1 outside the primer paint room, 2 outside the top paint room, 1 outside the primer paint room	3.670 mg/m ³		0.5093	45.5000	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 outlet	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 ¹	Organised emission	1	1 outside the powder tank sanding room	15.800 mg/m ³	Integrated Emission Standard of Air Pollutants in Shanghai City (DB31-933-2015)	0.6600	16.7820	Not exceeded	
	Particulate matter ²	Organised emission	1	3 at the paint line for powder tank trucks, 2 at the powder line for mixer trucks	12.200 mg/m ³		0.4800	Not approved by regulators	Not exceeded	
	Non-methane hydrocarbon	Organised emission	3	2 at the paint line for powder tank trucks, 1 at the powder mixing, spraying and solidification line	6.970 mg/m ³		1.2400	8.0400	Not exceeded	
	Sulphur dioxide	Organised emission	4	2 at the paint line for powder tank trucks, 2 at the powder line for mixer trucks	< 3		-	2.3660	Not exceeded	
	Nitric oxide	Organised emission	4	2 at the paint line for powder tank trucks, 2 at the powder line for mixer trucks	7.000 mg/m ³		0.3300	8.8210	Not exceeded	
	Xylene	Organised emission	2	2 at the paint line for powder tank trucks	1.270 mg/m ³		0.2600	Not approved by regulators	Not exceeded	
	SS	Indirect emission	1	Main outlet of wastewater	25.000 mg/L		Integrated Wastewater Discharge Standard (GB8978-1996) Level III	1.0700	Not approved by regulators	Not exceeded
	Petroleum	Indirect emission	1	Main outlet of wastewater	0.670 mg/L			0.0190	Not approved by regulators	Not exceeded
	Animal and vegetable oil	Indirect emission	1	Main outlet of wastewater	0.860 mg/L			0.0160	Not approved by regulators	Not exceeded
	Total phosphorus	Indirect emission	1	Main outlet of wastewater	0.970 mg/L			0.0310	Not approved by regulators	Not exceeded
	Fluoride	Indirect emission	1	Main outlet of wastewater	8.540 mg/L			0.0223	Not approved by regulators	Not exceeded
	Anionic surfactant	Indirect emission	1	Main outlet of wastewater	4.770 mg/L			0.0960	Not approved by regulators	Not exceeded
	BOD ₅	Indirect emission	1	Main outlet of wastewater	32.900 mg/L			0.900	Not approved by regulators	Not exceeded
	VOCs	Organised emission	1	Painting room, drying room	1.870 mg/m ³			Shandong Province Volatile Organic Compounds Emission Standard Part I: Automotive Manufacturing (DB37/2801.1-2016)	2.4640	78.6450
Methylbenzene	Organised emission	1	Painting room, drying room	0.011 mg/m ³	0.2341	Not approved by regulators	Not exceeded			
Xylene	Organised emission	1	Painting room, drying room	0.249 mg/m ³	0.4450	Not approved by regulators	Not exceeded			
Particulate matter	Organised emission	2	Shot blasting room	3.000 mg/m ³	Shandong Provincial Standard - Regional and Integrated Emission Standard of Air Pollutants (DB37/2376-2019)	6.5966	Not approved by regulators		Not exceeded	
Nitric oxide	Organised emission	2	Drying room	ND (not detected)		0	Not approved by regulators	Not exceeded		
Sulphur dioxide	Organised emission	2	Drying room	ND (not detected)		0	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 outlet	Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
Shenzhen CIMC Special Vehicle Co., Ltd. ("Shenzhen CIMC Special Vehicle")	Particulate matter 1	Organised emission	3	Welding workshop	1.300 mg/m ³	Emission Limits of Air Pollutants DB44/27-2001, 120 mg/m ³	0.2730	1.8300	Not exceeded
	Particulate matter 2	Organised emission	6	Coating workshop	2.000 mg/m ³	Boiler Air Pollutant Discharge Standard B13271-2014	0.0060	1.8300	Not exceeded
	Nitric oxide	Organised emission	6	Coating workshop	137.000 mg/m ³		0.3030	0.8400	Not exceeded
	Sulphur dioxide	Organised emission	6	Coating workshop	11.000 mg/m ³		0.0090	0.1800	Not exceeded
	Ringelmann emittance	Organised emission	6	Coating workshop	Level 0		-	Not approved by regulators	Not exceeded
	Methylbenzene +Xylene	Organised emission	1	Coating workshop	ND (not detected)	Emission Standard of Volatile Organic Compounds for Surface Coating (Vehicle Manufacturing Industry) DB44/816-2010	0	Not approved by regulators	Not exceeded
	VOCs (VOCs)	Organised emission	2	Coating workshop	3.470 mg/m ³		0.0280	0.1340	Not exceeded
CIMC Vehicles (Shandong) Co., Ltd. ("Shandong CIMC Vehicles")	Nitric oxide	Organised emission	2	The boiler room of refrigeration, cold transportation workshop	48.000 mg/L	Boiler Air Pollutant Discharge Standard of Shandong Province (DB37/2374-2018)	0.1579	Not approved by regulators	Not exceeded
	Sulphur dioxide	Organised emission	2	The boiler room of refrigeration, cold transportation workshop	<5 mg/m ³		0.0151	Not approved by regulators	Not exceeded
	Particulate matter1	Organised emission	2	The boiler room of refrigeration, cold transportation workshop	2.100 mg/m ³		0.0128	Not approved by regulators	Not exceeded
	Methylbenzene	Organised emission	4	Painting workshop - painting line (small parts, colour separation), drying line (small parts, colour separation)	0.331 mg/m ³	Shandong Province Volatile Organic Compounds Emission Standard Part I: Automotive Manufacturing (DB37/2801.1-2016)	0.0742	Not approved by regulators	Not exceeded
	Xylene	Organised emission	4	Painting workshop - painting line (small parts, colour separation), drying line (small parts, colour separation)	1.690 mg/m ³		0.3717	Not approved by regulators	Not exceeded
	Non-methane hydrocarbon	Organised emission	6	Painting workshop - painting line (small parts, colour separation), drying line (small parts, colour separation), plate making process, cold foaming process	4.790 mg/m ³		3.2194	20.6500	Not exceeded
	Benzene	Organised emission	4	Painting workshop - painting line (small parts, colour separation), drying line (small parts, colour separation)	<0.004 mg/m ³		0	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 outlet	Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
	Particulate matter 2	Organised emission	7	Painting workshop – painting line (small parts, colour separation), drying line (small parts, colour separation), carving and trimming line, plasma cutting, woodworking dust removal	4.100 mg/m ³	Shandong Provincial Standard – Regional and Integrated Emission Standard of Air Pollutants (DB37/2376-2019)	0.5248	Not approved by regulators	Not exceeded
	Nitric oxide	Organised emission	2	Painting workshop – painting colour separation, small parts drying	71.000 mg/m ³		0.1061	Not approved by regulators	Not exceeded
	Sulphur dioxide	Organised emission	2	Painting workshop – painting colour separation, small parts drying	<8 mg/m ³		0.0130	Not approved by regulators	Not exceeded
	Ammonia nitrogen	Indirect emission	1	Domestic sewage emission outlet	7.970 mg/L	Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015) Grade A	0.0553	Not approved by regulators	Not exceeded
	SS	Indirect emission	1	Domestic sewage emission outlet	58.000 mg/L		0.3222	Not approved by regulators	Not exceeded
	BOD5	Indirect emission	1	Domestic sewage emission outlet	5.130 mg/L		0.0359	Not approved by regulators	Not exceeded
	Total phosphorus	Indirect emission	1	Domestic sewage emission outlet	5.230 mg/L		0.0360	Not approved by regulators	Not exceeded
	COD	Indirect emission	1	Domestic sewage emission outlet	15.330 mg/L		0.1053	Not approved by regulators	Not exceeded
	PH	Indirect emission	1	Domestic sewage emission outlet	7.14 (dimensionless)		7.1400 (dimensionless)	Not approved by regulators	Not exceeded
Qingdao CIMC Special Vehicle Co., Ltd. ("Qingdao CIMC Special Vehicle")	Xylene	Organised emission	1	Painting workshop	0.281 mg/m ³	Volatile Organic Compounds Emission Standard Part I: Automotive Manufacturing (DB37/2801.1-2016)	0.0200	Not approved by regulators	Not exceeded
	VOCs	Organised emission	1	Painting workshop	0.990 mg/m ³		0.0500	71.1800	Not exceeded
	Particulate matter	Organised emission	4	Painting workshop	3.000 mg/m ³	Regional and Integrated Emission Standard of Air Pollutants (DB37/2376-2019), 10 mg/m ³	0.5400	Not approved by regulators	Not exceeded
Qingdao CIMC Eco-Equipment Co., Ltd. ("Qingdao CIMC Eco-Equipment")	Methylbenzene	Organised emission	1	Painting workshop	0.015 mg/m ³	Volatile Organic Compounds Emission Standard Part I: Automotive Manufacturing (DB37/2801.1-2016)	0.0700	Not approved by regulators	Not exceeded
	Xylene	Organised emission	1	Painting workshop	0.009 mg/m ³		0.0200	Not approved by regulators	Not exceeded
	VOCs	Organised emission	1	Painting workshop	0.410 mg/m ³		0.2100	39.6900	Not exceeded
	Particulate matter	Organised emission	1	Painting workshop	1.300 mg/m ³	Regional and Integrated Emission Standard of Air Pollutants (DB37/2376-2019)	0.0800	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	1	Putty sanding room	1.100 mg/m ³		0.0200	Not approved by regulators	Not exceeded

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CIMC Vehicles (Liaoning) Co., Ltd. ("Liaoning CIMC Vehicles")	Hydrogen chloride	Organised emission	1	Pre-treatment	1.220 mg/m ³	Integrated Emission Standard of Air Pollutants GB16297-1996, 150 mg/m ³	0.0100	Not approved by regulators	Not exceeded
	Total nitrogen	Indirect emission	1	Sewage treatment station	7.360 mg/L	Wastewater Quality Standards for Discharge to Municipal Sewers Grade B	0.0100	Not approved by regulators	Not exceeded
	COD	Indirect emission	1	Sewage treatment station	56.000 mg/L		0.0500	Not approved by regulators	Not exceeded
	Ammonia nitrogen	Indirect emission	1	Sewage treatment station	5.520 mg/L		0.0100	Not approved by regulators	Not exceeded
	NOX 2	Organised emission	2	2 outlets (DA007-008) in boiler room for winter heat supply	70.000 mg/m ³	Boiler Air Pollutant Discharge Standard GB13271-2014	0.1000	Not approved (not counted towards the emission limits, to the extent it does not exceed the allowed emission rate)	Not exceeded
	Sulphur dioxide 2	Organised emission	2	2 outlets (DA007-008) in boiler room for winter heat supply	8.000 mg/m ³		0.0300	Not approved (not counted towards the emission limits, to the extent it does not exceed the allowed emission rate)	Not exceeded
	Blackness of fume 1	Organised emission	1	1 outlet DA006 of the drying room at the north side of phase I workshop	<Level 1	Emission Standard of Air Pollutants for Industrial Kiln and Furnace GB9078-1996, limit: Level 1	-	Not approved by regulators	Not exceeded
	Blackness of fume 2	Organised emission	2	2 outlets (DA007-008) in boiler room for winter heat supply	<Level 1	Boiler Air Pollutant Discharge Standard GB13271-2014, limit: Level 1	-	Not approved by regulators	Not exceeded
	Sulphur dioxide 1	Organised emission	1	1 outlet DA006 of the drying room at the north side of phase I workshop	8.000 mg/m ³	Emission Standard of Air Pollutants for Industrial Kiln and Furnace GB9078-1996	0.0020	0.0410	Not exceeded
	NOX 1	Organised emission	1	1 outlet DA006 of the drying room at the north side of phase I workshop	78.000 mg/m ³		0.0200	0.1240	Not exceeded
Particulate matter 1	Organised emission	1	1 outlet DA006 of the drying room at the north side of phase I workshop	12.300 mg/m ³		0.0025	0.0080	Not exceeded	
Particulate matter 2	Organised emission	7	Ventilation outlets (DA001-005) of the painting room and sanding room at the north side of the phase I workshop, 2 (DA007-008) in the boiler room for winter heat supply	14.000 mg/m ³	Integrated Emission Standard of Air Pollutants GB16297-1996	0.0700	Not approved (not counted towards the emission limits, to the extent it does not exceed the allowed emission rate)	Not exceeded	

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	VOCs	Organised emission	2	2 (DA001-002) at the north side of the phase I workshop	11.400 mg/m ³	Integrated Emission Standard of Air Pollutants 16297-1996	0.6500	Not approved (not counted towards the emission limits, to the extent it does not exceed the allowed emission rate)	Not exceeded
	PH	Indirect emission	1	Main outlet of wastewater	7.6 (dimensionless)	Integrated Wastewater Discharge Standard	-	Not approved by regulators	Not exceeded
	COD	Indirect emission	1	Main outlet of wastewater	160.000 mg/L	DB21/1627-2008	0.4600	Not approved by regulators	Not exceeded
	Total nitrogen	Indirect emission	1	Main outlet of wastewater	50.000 mg/L		0.1500	Not approved by regulators	Not exceeded
	BOD5	Indirect emission	1	Main outlet of wastewater	40.000 mg/L		0.1000	Not approved by regulators	Not exceeded
	SS	Indirect emission	1	Main outlet of wastewater	225.000 mg/L		0.6000	Not approved by regulators	Not exceeded
	Total phosphorus	Indirect emission	1	Main outlet of wastewater	0.250 mg/L		0.0008	Not approved by regulators	Not exceeded
	Ammonia nitrogenNH3-N	Indirect emission	1	Main outlet of wastewater	6.300 mg/L		0.0170	Not approved by regulators	Not exceeded
Liangshan CIMC Dongyue Vehicle Co., Ltd. ("Liangshan CIMC Dongyue")	VOCs	Organised emission	1	Painting room	2.492 mg/m ³	Volatile Organic Compounds Emission Standard Part I:	0.2144	149.7300	Not exceeded
	Methylbenzene	Organised emission	1	Painting room	0.0626 mg/m ³	Automotive Manufacturing, DB37/2801.1-2016	0.1565	Not approved by regulators	Not exceeded
	Xylene	Organised emission	1	Painting room	0.382 mg/m ³		0.9550	Not approved by regulators	Not exceeded
	Sulphur dioxide	Organised emission	1	Painting room	ND (not detected)	Limit stipulated in Shandong Provincial Standard - Regional and Integrated Emission Standard of Air Pollutants	0	Not approved by regulators	Not exceeded
	Nitric oxide	Organised emission	1	Painting room	ND (not detected)		0	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	3	1 in the painting room, 2 in the shot blasting room	3.300 mg/m ³	DB37/2376-2019	0.2600	Not approved by regulators	Not exceeded
CIMC Vehicles (Jiangmen) Co., Ltd. ("Jiangmen Vehicles")	VOCs	Organised emission	3	3 at the paint line	26.830 mg/m ³	Emission Standard of Volatile Organic Compounds for Surface Coating (Vehicle Manufacturing Industry) DB44/816-2010	1.6870	2.0950	Not exceeded
	Methylbenzene +Xylene	Organised emission	3	3 at the paint line	11.550 mg/m ³		0.5100	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	4	1 in the sanding room, 3 in the painting and polishing room	<20 mg/m ³	Emission Limits of Air Pollutants DB44/27-2001	4.4550	Not approved by regulators	Not exceeded
	SO2	Organised emission	1	1 in the drying room, same as NOx	0.0135 mg/m ³	Emission Standard of Air Pollutants for Industrial Kiln and Furnace GB9078-1996	0.0070	0.0800	Not exceeded
	NOx	Organised emission	1	1 in the drying room, same as SO2	0.0506 mg/m ³		0.1110	0.4400	Not exceeded

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Dongguan CIMC Special Vehicle Co., Ltd. ("Dongguan CIMC Special Vehicle")	COD	Direct emission	1	Production wastewater emission outlet	7.000 mg/L	Environmental Quality Standard for Surface Water GB3838-2002 Category IV	0.0325	Not approved by regulators	Not exceeded
	BOD5	Direct emission	1	Production wastewater emission outlet	2.200 mg/L		0.0102	Not approved by regulators	Not exceeded
	Total phosphorus	Direct emission	1	Production wastewater emission outlet	0.070 mg/L		0.0003	Not approved by regulators	Not exceeded
	Petroleum	Direct emission	1	Production wastewater emission outlet	0.060 mg/L		0.0003	Not approved by regulators	Not exceeded
	Total zinc	Direct emission	1	Production wastewater emission outlet	0.059 mg/L		0.0003	Not approved by regulators	Not exceeded
	Total nickel	Direct emission	1	Production wastewater emission outlet	0.074 mg/L		0.0003	Not approved by regulators	Not exceeded
	Total manganese	Direct emission	1	Production wastewater emission outlet	0.020 mg/L		0.0001	Not approved by regulators	Not exceeded
	Fluoride	Direct emission	1	Production wastewater emission outlet	0.327 mg/L	Environmental Quality Standard for Surface Water GB3838-2002 Category IV, 1.5 mg/L	0.0015	Not approved by regulators	Not exceeded
	Total nitrogen	Direct emission	1	Production wastewater emission outlet	1.200 mg/L	Environmental Quality Standard for Surface Water GB3838-2002 Category IV, 1.5 mg/L	0.0056	Not approved by regulators	Not exceeded
	SS	Direct emission	1	Production wastewater emission outlet	3.200 mg/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: 30mg/L	0.0149	Not approved by regulators	Not exceeded
	COD	Indirect emission	1	Domestic sewage emission outlet	92.000 mg/L	Discharge Limits of Water Pollutants DB44/26-2001 Time Slot II Level III	1.1100	Not approved by regulators	Not exceeded
	SS	Indirect emission	1	Domestic sewage emission outlet	44.000 mg/L		0.5310	Not approved by regulators	Not exceeded
	BOD	Indirect emission	1	Domestic sewage emission outlet	23.000 mg/L		0.2780	Not approved by regulators	Not exceeded
	Ammonia nitrogen	Indirect emission	1	Domestic sewage emission outlet	25.400 mg/L	No limit set by the standard	0.3070	Not approved by regulators	Not exceeded
	Total phosphorus	Indirect emission	1	Domestic sewage emission outlet	3.190 mg/L		0.0390	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 outlet	Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
	Particulate matter	Organised emission	15	Structure workshop, coating workshop	16.600 mg/m ³	Emission Limits of Air Pollutants DB44/27-2001 Time slot II Level	1.3790	Not approved by regulators	Not exceeded
	Manganese and its compounds	Organised emission	6	Structure workshop	0.132 mg/m ³	II Standard	0.3400	Not approved by regulators	Not exceeded
	SO ₂	Organised emission	8	Coating workshop	34.000 mg/m ³		4.2800	Not approved by regulators	Not exceeded
	NO _X	Organised emission	8	Coating workshop	73.000 mg/m ³		0.3980	Not approved by regulators	Not exceeded
	VOCs	Organised emission	2	Coating workshop	6.710 mg/m ³	Emission Standard of Volatile Organic Compounds for Surface Coating (Vehicle Manufacturing Industry) DB44/816-2010, 50 mg/m ³	0.7650	Not approved by regulators	Not exceeded
Zhangjiagang CIMC Sanctum Cryogenic Equipment Machinery Co., Ltd. ("Zhangjiagang Sanctum")	Domestic sewage- PH	Intermittent emission	1	Southwest corner of the factory area	7.16-7.23 (dimensionless)	Integrated Wastewater Discharge Standard GB8978-1996	-	Not approved by regulators	Not exceeded
	Domestic sewage- BOD ₅	Intermittent emission	1	Southwest corner of the factory area	5.860 mg/L		9.1600	Not approved by regulators	Not exceeded
	Domestic sewage- total phosphorus	Intermittent emission	1	Southwest corner of the factory area	0.050 mg/L		0.0780	Not approved by regulators	Not exceeded
	Domestic sewage- COD	Intermittent emission	1	Southwest corner of the factory area	16.300 mg/L		25.4790	Not approved by regulators	Not exceeded
	Domestic sewage- animal and vegetable oil	Intermittent emission	1	Southwest corner of the factory area	0.190 mg/L		0.2970	Not approved by regulators	Not exceeded
	Domestic sewage- ammonia nitrogen	Intermittent emission	1	Southwest corner of the factory area	0.221 mg/L		0.3450	Not approved by regulators	Not exceeded
	Domestic sewage- SS	Intermittent emission	1	Southwest corner of the factory area	4.6 mg/L		7.1900	Not approved by regulators	Not exceeded
	Waste gas - non-methane hydrocarbon	Organised emission	3	North, east and west of the factory area	2.9-49.6 mg/m ³	Integrated Emission Standard of Air Pollutants GB16297-1996	3.9860	Not approved by regulators	Not exceeded
	Waste gas-xylene	Organised emission	3	North, east and west of the factory area	0.147-25 mg/m ³		2.3100	Not approved by regulators	Not exceeded
	Waste gas- methylbenzene	Organised emission	3	North, east and west of the factory area	0-0.033 mg/m ³		4.2350	Not approved by regulators	Not exceeded
	Waste gas - particulate matter	Organised emission	1	East and west of the factory area	11.2-28.1 mg/m ³		4.6100	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 outlet	Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
Shijiazhuang Enric Gas Equipment Co., Ltd. ("Gas Equipment")	Particulate matter	Organised emission	38	Heat treatment furnace, curing furnace, heating furnace in painting room, sanding room, putty room, outer polishing machine, etc. of each workshop	1.8-5.4 mg/m ³	120 mg/m ³	0.4090	3.6850	Not exceeded
	Non-methane hydrocarbon	Organised emission	10	Painting rooms of each workshop and the temporary storage room for hazardous waste	4.45-14.8 mg/m ³	60 mg/m ³	1.8720	Not approved by regulators	Not exceeded
	Methylbenzene + xylene	Organised emission	10	Painting rooms of each workshop and the temporary storage room for hazardous waste	1.31-8.03 mg/m ³	20 mg/m ³	0.4830	Not approved by regulators	Not exceeded
	Ammonia nitrogen	Sewage collection pipes	1	The main wastewater outlet in the north of the factory	9.19-14.52 mg/L	25 mg/L	0.1040	0.9410	Not exceeded
	Sulfur dioxide	Organised emission	24	Heat treatment furnace, curing furnace, heating furnace in painting room, etc. of each workshop in factory	5-9 mg/m ³	200 mg/m ³	0.1720	2.8080	Not exceeded
	Nitric oxide	Organised emission	24	Heat treatment furnace, curing furnace, heating furnace in painting room, etc. of each workshop in factory	24-62 mg/m ³	300 mg/m ³	2.6770	18.5690	Not exceeded
	COD	Sewage collection pipes	1	The main wastewater outlet in the north of the factory	34.58-64.50 mg/L	150 mg/L	0.4540	5.6460	Not exceeded
Nantong CIMC Energy Equipment Co, Ltd. ("Nantong CIMC Energy Equipment")	Xylene	Organised emission	4	Low-temperature workshop (paint room, oasthouse), tank truck workshop (paint room, oasthouse), gas bottle production workshop (winding, solidification)	2.210 mg/m ³	Jiangsu Province Chemical Industry VOCs Emission Standard DB32/3151-2016	0.4620	1.3200	Not exceeded
	Non-methane hydrocarbon	Organised emission	4	Low-temperature workshop (paint room, oasthouse), tank truck workshop (paint room, oasthouse), gas bottle production workshop (winding, solidification)	1.720 mg/m ³		0.7220	2.4490	Not exceeded
	Methylbenzene	Organised emission	4	Low-temperature workshop (paint room, oasthouse), tank truck workshop (paint room, oasthouse), gas bottle production workshop (winding, solidification)	0.071 mg/m ³		0.0150	0.1230	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 outlet	Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
CIMC Safeway Technologies Co., Ltd ("CIMC Safeway")	COD	Organised emission	1	WS01 outlet	27.000 mg/L	Integrated Wastewater Discharge Standard GB8978-1996	0.5840	11.8270	Not exceeded
	Ammonia nitrogen	Organised emission	1	WS01 outlet	3.440 mg/L	Wastewater Quality Standards for Discharge to Municipal Sewers GB/T31962-2015	0.0950	1.1920	Not exceeded
	Particulate matter	Organised emission	3	Low-temperature sanding room (room 1 and room 2), tank truck sanding room	3.250 mg/m ³	Integrated Emission Standard of Air Pollutants GB16297-1996	0.8900	1.5090	Not exceeded
	COD	Sewage collection pipes	1	Main outlet of wastewater	21.000 mg/L	500 mg/L	-	No approved total emission for general emission outlets stipulated by the national pollutant discharge permit	Not exceeded
	Ammonia nitrogen	Sewage collection pipes	1	Main outlet of wastewater	1.600 mg/L	45 mg/L	-	No approved total emission for general emission outlets stipulated by the national pollutant discharge permit	Not exceeded
Nantong SinoPacific Offshore & Engineering Co., Ltd. ("SOE")	VOCS (Non-methane hydrocarbon)	Organised emission	4	VOCS emission outlet	3.167 mg/m ³	120 mg/m ³	-	No approved total emission for general emission outlets stipulated by the national pollutant discharge permit	Not exceeded
	VOCS	Exhaust pipes	5	East and middle of the factory area	3.430 mg/m ³	Emission Control Standard of Volatile Organic Compounds from Industrial Enterprises (DB12/524-2014)	1.5520	Not approved by regulators	Not exceeded
	Dust	Exhaust pipes	6	East and middle of the factory area	<20 mg/m ³	Integrated Emission Standard of Air Pollutants (DB31/933-2015)	1.3100	Not approved by regulators	Not exceeded
	Paint mist	Exhaust pipes	5	East and middle of the factory area	ND (not detected)		0	Not approved by regulators	Not exceeded
	Methylbenzene	Exhaust pipes	5	East and middle of the factory area	0.6125 mg/m ³		0.8200	Not approved by regulators	Not exceeded
	Xylene	Exhaust pipes	5	East and middle of the factory area	1.900 mg/m ³		0.7600	Not approved by regulators	Not exceeded
	Petroleum	Wastewater is discharged into the river outside the factory through sewage collection pipes		1	North of the factory area	0.210 mg/L	Centralized Collection Agreement	0.1720	Not approved by regulators

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Name of company or subsidiary	Name of major and specific pollutants	Emission method	Number of emission outlets	Distribution of emission outlet	Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
	SS	Wastewater is discharged into the river outside the factory through sewage collection pipes	1	North of the factory area	10.330 mg/L		0.5100	Not approved by regulators	Not exceeded
	Ammonia nitrogen	Wastewater is discharged into the river outside the factory through sewage collection pipes	1	North of the factory area	0.094 mg/L		0.0036	Not approved by regulators	Not exceeded
	Anionic surfactant	Wastewater is discharged into the river outside the factory through sewage collection pipes	1	North of the factory area	0.250 mg/L		0.0460	Not approved by regulators	Not exceeded
	COD	Wastewater is discharged into the river outside the factory through sewage collection pipes	1	North of the factory area	13.670 mg/L		3.2500	Not approved by regulators	Not exceeded
	PH	Wastewater is discharged into the river outside the factory through sewage collection pipes	1	North of the factory area	6.95 (dimensionless)		-	Not approved by regulators	Not exceeded
	BOD5	Wastewater is discharged into the river outside the factory through sewage collection pipes	1	North of the factory area	7.130 mg/L		1.4350	Not approved by regulators	Not exceeded
	Total phosphorus	Wastewater is discharged into the river outside the factory through sewage collection pipes	1	North of the factory area	0.530 mg/L		0.0420	Not approved by regulators	Not exceeded
	Sulfur dioxide	Exhaust pipes	3	East of the factory area	-	Boiler Air Pollutant Discharge Standard GB13271-2014	0	Not approved by regulators	Not exceeded
	Nitric oxide	Exhaust pipes	3	East of the factory area	-		0	Not approved by regulators	Not exceeded
	Dust	Exhaust pipes	3	East of the factory area	-		0	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 outlet	Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
Shenzhen CIMC-TianDa Airport Support Ltd. ("TianDa Airport")	VOCs	Fugitive emission	Nil	Boundary	0.00746-0.246 mg/m ³	Emission Standard of Volatile Organic Compounds for Surface	-	Not approved by regulators	Not exceeded
	VOCs	Organised emission	3	North of #1 plant, north of #2 plant	7.28-60.1 mg/m ³	Coating (Vehicle Manufacturing Industry)	4.2100	Not approved by regulators	Not exceeded
	Xylene	Fugitive emission	Nil	Boundary	ND (not detected)	DB44/21-2001 Table 2 Time Slot II Monitoring	-	Not approved by regulators	Not exceeded
	Methylbenzene	Fugitive emission	Nil	Boundary	ND (not detected)	Concentration Limits for Fugitive Emissions	-	Not approved by regulators	Not exceeded
	Benzene	Fugitive emission	Nil	Boundary	ND (not detected)	Monitoring Concentration Limits	-	Not approved by regulators	Not exceeded
	Particulate matter	Fugitive emission	Nil	Boundary	0.00746-0.246 mg/m ³		-	Not approved by regulators	Not exceeded
	Benzene	Organised emission	3	North of #1 plant, north of #2 plant	0-5.19 mg/m ³	DB44/21-2001 Time Slot II Level II	0.3700	Not approved by regulators	Not exceeded
	Xylene	Organised emission	3	North of #1 plant, north of #2 plant	3.2-27 mg/m ³		1.6600	Not approved by regulators	Not exceeded
	Methylbenzene	Organised emission	3	North of #1 plant, north of #2 plant	0-0.318 mg/m ³		0.0540	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	8	North of #1 plant, north of #2 plant	0-36.2 mg/m ³		2.4100	Not approved by regulators	Not exceeded
Dalian CIMC Logistics Equipment Co., Ltd. ("Dalian Logistics Equipment")	Total phosphorus	Sewage collection pipes	1	South of the factory area	3.550 mg/L (average concentration)	Liaoning Province Integrated Wastewater Discharge Standard (DB21/1627-2008)	0.2200	Not approved by regulators	Not exceeded
	COD	Sewage collection pipes	1	South of the factory area	228.000 mg/L (average concentration)		13.9500	Not approved by regulators	Not exceeded
	SS	Sewage collection pipes	1	South of the factory area	77.000 mg/L (average concentration)		4.7100	Not approved by regulators	Not exceeded
	Ammonia nitrogen	Sewage collection pipes	1	South of the factory area	0.700 mg/L (average concentration)		0.0430	Not approved by regulators	Not exceeded
	Total nitrogen	Sewage collection pipes	1	South of the factory area	7.760 mg/L (average concentration)	GB8978-1996 Integrated Wastewater Discharge Standard	0.4800	Not approved by regulators	Not exceeded
	PH	Sewage collection pipes	1	South of the factory area	7.37 (dimensionless)		-	Not approved by regulators	Not exceeded
	Noise (boundary)	Fugitive emission	-	Boundary	Daytime: 53.0 dB (A)	Emission Standard for Industrial Enterprise Noise at Boundary (GB12348-90)	-	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 outlet	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")	Nitric oxide	Organised emission	5	Outside the coating line	ND (not detected) (average concentration)	Emission Standard of Air Pollutants (GB16297)	0	Not approved by regulators	Not exceeded
	Sulfur dioxide	Organised emission	5	Outside the coating line	ND (not detected) (average concentration)		0	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	11	Outside the welding, sanding and coating lines	6.670 mg/m ³ (average concentration)		4.5400	Not approved by regulators	Not exceeded
	Benzene	Organised emission	4	Outside the coating line	0.190 mg/m ³ (average concentration)	Emission Standard of Volatile Organic Compounds for Industrial Surface Coating	0.0400	Not approved by regulators	Not exceeded
	Benzene congeners	Organised emission	4	Outside the coating line	0.790 mg/m ³ (average concentration)	DB21 3160-019	0.1500	Not approved by regulators	Not exceeded
	Non-methane hydrocarbon	Organised emission	4	Outside the coating line	25.620 mg/m ³ (average concentration)		8.0000	Not approved by regulators	Not exceeded
	VOCs	Organised emission	4	Outside the coating line	2.850 mg/m ³ (average concentration)		0.7700	Not approved by regulators	Not exceeded
	VOCs	Organised emission	4	Frame workshop/body painting workshop	5.610 mg/m ³	Integrated Emission Standard of Air Pollutants GB16297-1996	1.1100	148.0900	Not exceeded
	NOx	Organised emission	5	Frame workshop/body painting workshop	27.000 mg/m ³		0.1000	Not approved by regulators	Not exceeded
	SO ₂	Organised emission	5	Kinetic energy workshop	<3 mg/m ³		Concentration lower than the limit	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	8	Kinetic energy Workshop/frame workshop	<20 mg/m ³		Concentration lower than the limit	Not approved by regulators	Not exceeded
	Ringelmann emittance	Organised emission	2	Kinetic energy Workshop/frame workshop	<Level 1		-	Not approved by regulators	Not exceeded
	Methylbenzene	Organised emission	2	Frame workshop/body painting workshop	1.940 mg/m ³		0.3500	Not approved by regulators	Not exceeded
	Xylene	Organised emission	2	Frame workshop/body painting workshop	<0.01 mg/m ³		Concentration lower than the limit	Not approved by regulators	Not exceeded
	CODcr	Sewage collection pipes	1	Gate 1 of the factory	91.960 mg/L	Integrated Wastewater Discharge Standard GB8978-1996	2.2100	25.0350	Not exceeded
	Ammonia nitrogen	Sewage collection pipes			7.760 mg/L		0.2033	1.71165	Not exceeded
Phosphate	Sewage collection pipes			0.197 mg/L		0.0197	0.2829	Not exceeded	
Total zinc	Sewage collection pipes			<0.05 mg/L		Concentration lower than the limit	0.17685	Not exceeded	
Total nickel	Sewage collection pipes			0.190 mg/L		0.3883	0.14328	Not exceeded	
Petroleum	Sewage collection pipes			0.550 mg/L		0.0134	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 outlet	Emission concentration	Pollutant emission standards in effect	Total emission (tonne/half a year)	Approved total emission (tonne/year)	Excessive emission
Yantai CIMC Raffles Offshore Engineering Co., Ltd. ("Yantai Raffles")	SS	Sewage collection pipes			31.670 mg/L		0.7708	Not approved by regulators	Not exceeded
	PH	Sewage collection pipes			6-9 (dimensionless)		-	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	8	1#-4# coating workshop and pre-treatment workshop	1.9-4.9 mg/m ³	Shandong Provincial Standard - Regional and Integrated Emission Standard of Air Pollutants (DB37/2376-2019)	0.8790	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	3	5-6# coating workshop	2.6-2.9 mg/m ³	Boiler Air Pollutant Discharge Standard of Shandong Province DB37 2374-2018	0.0016	11.2659	Not exceeded
	Nitric oxide	Organised emission	2	5-6# coating workshop	38-42 mg/m ³	Emission Standard of Volatile Organic Compounds Part 5: Surface Coating Industry (DB37/2801.5)	0.0297	0.3240	Not exceeded
	Sulfur dioxide	Organised emission	2	5-6# coating workshop	4.000 mg/m ³		0.0033	0.0576	Not exceeded
	VOCs	Organised emission	1	5-6# coating workshop	4.380 mg/m ³		0.1710	16.4500	Not exceeded
	Xylene	Organised emission	3	1#, 4#, 5-6# coating workshop and pre-treatment workshop	0.110 mg/m ³		0.0030	Not approved by regulators	Not exceeded
	Methylbenzene	Organised emission	3	1#, 4#, 5-6# coating workshop and pre-treatment workshop	<0.0015 mg/m ³		-	Not approved by regulators	Not exceeded
	VOCs	Organised emission	3	1#, 4# coating workshop and pre-treatment workshop	16.4-20.3 mg/m ³		1.0400	Not approved by regulators	Not exceeded
Haiyang CIMC Raffles Offshore Ltd. ("Haiyang Raffles")	Benzene	Organised emission	3	1#, 4#, 5-6# coating workshop and pre-treatment workshop	<0.0015 mg/m ³		-	Not approved by regulators	Not exceeded
	Particulate matter	Organised emission	4	Pre-treatment workshop, coating workshop	3.000 mg/m ³	DB37/2376-2019 Regional and Integrated Emission Standard of Air Pollutants Table 1	0.5596	Not approved by regulators	Not exceeded
	VOCs	Organised emission	3	Pre-treatment workshop, coating workshop	15.900 mg/m ³	DB37/2801.5-2018 Emission Standard of Volatile Organic Compounds Part 5: Surface Coating Industry Table 2	0.4456	Not approved by regulators	Not exceeded
	Methylbenzene	Organised emission	3	Pre-treatment workshop, coating workshop	< 0.0015 mg/m ³		0	Not approved by regulators	Not exceeded
	Xylene	Organised emission	3	Pre-treatment workshop, coating workshop	< 0.0015 mg/m ³		0	Not approved by regulators	Not exceeded
	Benzene	Organised emission	3	Pre-treatment workshop, coating workshop	< 0.0015 mg/m ³		0	Not approved by regulators	Not exceeded

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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 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 facilities 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# and 2# 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.

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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 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 centralizedly 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 generated from the spray coating of the pretreatment line, after being collected by negative pressure, were centralizedly discharged through exhaust pipes after being treated by “zeolite runner adsorption concentration + desorption + regenerative thermal oxidation combustion”.
 - (6) Organic exhaust gas and particulate matter of paint mist generated from the coating line (oily paint) of the special container B line, after being collected by negative pressure, were centralizedly discharged through exhaust pipes after being treated by “water spray + activated carbon desorption + catalytic combustion”.
 - (7) 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 centralizedly 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”.
 - (8) The biochemical treatment waste gas from the sewage treatment station is collected by the negative pressure, and centralizedly discharged through exhaust pipes after being treated by the “activated carbon adsorption device”.
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- (9) The waste gas from storage and paint residue drying in hazardous waste depot is collected by negative pressure and centralizedly 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 : the paint residue is reduced by about 1/3 weight after being dried by the drying equipment; and commissions qualified enterprises for standardized treatment of dried paint residue. Currently, the facilities are in normal operation.

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

Industrial sewage:

The company has established industrial wastewater treatment facilities (1 set) with a 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.

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Dongguan Southern CIMC Logistic
Equipment Manufacturing Co., Ltd.

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.

Industrial sewage:

- (1) The company has established industrial wastewater treatment facilities (1 set) with a designed capacity of 200 t/d, and industrial wastewater is recycled after treatment in compliance with standards, with no external emission.
- (2) Domestic sewage is discharged to the municipal sewage network after treated by the septic tank.

Currently, all the said 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.
- (5) The components and parts processing organic waste gas treatment facilities (2 sets): filter cotton + runner adsorption + RTO, with a treatment capacity of 220,000 m³/h.
- (6) The components and parts sanding dust exhaust gas treatment facilities (3 sets): cyclone + filter element (cylinder), with a treatment capacity of 375,000m³/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.

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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 a 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.

Industrial exhaust:

- (1) 1 set of VOCs activated carbon adsorption + RCO facilities with a 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 a 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 a 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 a 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 a 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 a 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.
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- (9) 3 sets of filter bags dust-removing facilities with a 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 a 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 a 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 a 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 a 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.

Qingdao CIMC Reefer Container
Manufacture Co., Ltd.

Industrial sewage:

Coating and painting wastewater treatment facilities (1 set) with a treatment 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.

Industrial exhaust:

- (1) 2 sets of VOCs activated carbon adsorption + RCO facilities with a 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 small parts glue spray VOCs activated carbon adsorption + RCO facilities with a 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 a treatment capacity of 60,000 m³/h, emission through 15m exhaust pipes after treatment in compliance with standards.
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- (4) 1 set of painting VOCs activated carbon adsorption + RCO facilities with a 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 a 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 a 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 a 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 a 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 a 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 a 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 a 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 a 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 a 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.

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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 wastewater is recycled after treatment with no external emission.

Currently, all the said 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 a 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 a 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 a 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.

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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.

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 after treatment in compliance with standards.
- (3) Boiler flue gas treatment facilities (1 set): SNCR+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 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.

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Qingdao CIMC Container Manufacture Co., Ltd.

Industrial sewage:

The company has established 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 through the sewage collection pipes after treatment in compliance with standards. Currently, the facilities are in normal operation.

Industrial exhaust:

- (1) 1 set of pre-treatment painting VOCs RTO facilities, with a 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 a 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 a 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 a 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 a 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 a 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 a 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 a treatment capacity of 30,000 m³/h, emission through exhaust pipes after treatment in compliance with standards.

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- (9) 1 set of special container sanding line particulate matter emission “cyclone filter barrel dust collector” facilities, with a treatment capacity of 30,000 m³/h, emission through exhaust pipes after treatment in compliance with standards.
 - (10) 1 set of sewage treatment station odor gas “UV photolysis” facilities, with a treatment capacity of 10,000 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.

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 a 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 a 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 a 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 a treatment capacity of 55,000 m³/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 a treatment capacity of 100,000 m³/h, emission through exhaust pipes after treatment in compliance with standards.
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- (6) 1 set of special container painting line VOCs “Venturi spray tower + activated carbon adsorption” facilities, with a treatment capacity of 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.

Tianjin CIMC Containers Co., Ltd.

Industrial sewage:

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

Industrial exhaust:

- (1) Thick plate pre-treatment line VOCs control facilities (1 set): “zeolite runner adsorption concentration + RTO” facilities, with a 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 a 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 a total treatment capacity of 420,000 m³/h, emission through exhaust pipes after treatment in compliance with standards.

Currently, all the said facilities are in normal operation.

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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.

Ningbo CIMC Logistics Equipment Co., Ltd.

Industrial sewage:

The company has established 1 set of industrial wastewater treatment facilities with a treatment capacity of 200 t/d; industrial wastewater complied with standards after treatment will be reused with an upper limit of 50%, the remaining will be discharged and incorporated into the sewage collection pipes.

Industrial exhaust:

- (1) Coating line water spray organic waste gas treatment facilities (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.

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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.

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.

Nantong CIMC Special Transportation
Equipment Manufacture Co., Ltd.

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.

Industrial exhaust:

- (1) 1 set of pre-treatment line VOCs facilities with VOCs activated carbon adsorption + desorption+ solvent recovery, with a treatment capacity of 80,000 m³/h.
- (2) Nante Line VOCs facilities, with 1 set of VOCs zeolite runner + catalytic combustion facilities and 1 set of zeolite runner + RTO combustion facilities, with a treatment capacity of 290,000 (100,000+190,000) m³/h; 1 set of VOCs facilities with zeolite molecular runner + RTO combustion, with a treatment capacity of 380,000 m³/h.
- (3) 1 set of Shunda Line VOCs facilities with VOCs zeolite molecular runner + RTO combustion, with a treatment capacity of 330,000 m³/h.
- (4) 4 sets of particulate matter pre-treatment facilities with sanding dust-removing filter, with a treatment capacity of (33,000*4) m³/h.

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- (5) 2 sets of Nante Line particulate matter treatment facilities, with full container sanding dust-removing filter, with a treatment capacity of (50,000*2) m³/h; 2 sets of facilities with welding dust-removing filter, with a treatment capacity of (85,000*2) m³/h.
 - (6) 1 set of Shunda Line particulate matter treatment facilities, with full container sanding dust-removing filter, with a treatment capacity of 80,000 m³/h; 1 set of facilities with welding dust-removing filter, with a treatment capacity of 30,000 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.

Shanghai CIMC Baowell Industries Co.
Ltd.

Industrial sewage:

Industrial wastewater treatment facilities (1 set) with treatment capacity of 60 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) 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 zeolite runner + RTO facilities (1 set), with a treatment capacity of 101,000 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 facilities (1 set), with a 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 waste gas RTO facilities (1 set), with a 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.
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- (6) Second-time sanding dust filters (4 sets), with a treatment capacity of 258,000 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 (12 sets), with a treatment capacity of 664,000 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 facilities (1 set) with a 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 exhaust:

- (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 facilities (5 sets, in normal operation): organised emission, 1 outlet (combined).
- (3) Second-time sanding dust control facilities (3 sets, in normal operation): organised emission, 3 outlets.

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.

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CIMC Taicang Refrigeration Equipment Logistics Co., Ltd.

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, the facilities are in normal operation.

Industrial exhaust:

- (1) Cyclone dust removal + bag dust collectors (13 sets), with a treatment capacity of 45,000 m³/h (2 sets), 50,000 m³/h (7 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.

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.

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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-painting 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.

Zhumadian CIMC Huajun Vehicle Co., Ltd. Industrial sewage:

- (1) Industrial wastewater : 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 and in normal operation; 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 and in normal operation.
- (2) Domestic sewage : Discharged to the municipal network after treated by the septic tank.

Currently, all the said facilities are in normal operation.

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Industrial exhaust:

- (1) 3 sets of plasma gas cutting dust collection and treatment facilities, each with a treatment capacity of 6,000 m³/h; 10 sets of robotic welding fume collection and treatment facilities, each with treatment capacity of 5,000 m³/h; 1 set of frame line welding fume collection and treatment facilities, with a treatment 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 a treatment 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 a treatment capacity of 80,000 m³/h, adopting the bag dust collecting process.
- (3) 1 set of electrophoresis tank organic waste gas collection and treatment facilities, with a treatment 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 a treatment capacity of 10,000 m³/h, adopting the catalytic combustion process.
- (5) 1 set of powder coating waste gas collection and treatment facilities, with a treatment 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 a treatment 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 a treatment capacity of 150,000 m³/h, adopting the washing + activated carbon adsorption process.

Currently, all the said facilities are in normal operation.

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.

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Yangzhou CIMC Tong Hua Special Vehicles Co., Ltd.

Industrial sewage:

- (1) 3 sets of sewage treatment system, including 1 set of semi-trailer electrophoresis 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 pretreated 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.
- (2) 1 set of semi-trailer factory coating waste water treatment system, with a designed capacity of 2 m³/h. Wastewater is recycled to the painting room after treated with solvent and discharged regularly after the treatment in compliance with standards.
- (3) 1 set of tank truck factory coating waste water treatment system, the wastewater with heavy metal after flocculent precipitation process and the wastewater without heavy metal after PH adjustment + precipitation process will be treated together with "flotation + hydrolyze acidification + contact oxidation + precipitation" process, and discharged by pipelines after the treatment in compliance with standards, with a designed capacity of 40 t/d.

Currently, all the said 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, and such equipment is in normal operation; 3 sets of painting and paint refinishing waste gas activated carbon adsorption + catalytic combustion facilities, adopting the activated carbon adsorption + catalytic combustion process, with each having a designed air treatment volume of 120,000 m³/h.
- (2) 32 sets of dust removal devices for welding waste gas treatment, adopting the mobile welding dust removal device to treat welding and polishing.
- (3) 2 sets of hazardous waste warehouse activated carbon adsorption devices.
- (4) 2 sets of canteen fume purification devices, adopting the fume purification device to treat the canteen fume.

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- (5) 2 sets of bathroom natural gas boilers installed with low-nitrogen combustion devices.
 - (6) 1 set of phosphorus waste gas purification device, adopting the waste gas washing tower, with an air treatment volume of 25,000 m³/h, filtration speed of 1.8-2 m/s and efficiency of 95%.
 - (7) 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 an air treatment volume of 25,000 m³/h, filtration speed of 1.8-2 m/s and efficiency of 90%.
 - (8) 1 set of electro-drying waste gas catalytic combustion device, adopting the catalytic combustion process, with a designed air treatment volume of 4,000 Nm³/h.
 - (9) 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.
 - (10) 1 set of acid washing purification facilities, adopting waste gas purification tower to treat waste gas, with a designed air treatment volume of 25,000 m³/h and efficiency of 90%.
 - (11) 1 set of natural gas hot water boilers for heating of degreasing and zirconization tanks installed with low nitrogen combustion devices.
 - (12) 1 set of powder curing waste gas catalytic combustion facilities, adopting the catalytic combustion process, with a designed air treatment volume of 1,500 Nm³/h.
 - (13) 1 set of putty polishing waste gas filtering facilities, adopting secondary filtration (filter cotton + filter bag) process, with the filtration efficiency of approximately 90%.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company has built 8 hazardous waste temporary store rooms 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.

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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 treatment 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, 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 sets of organic waste gas deep treatment facilities, adopting the dry paint mist filter + activated carbon adsorption concentration + hot air desorption catalytic combustion process, each with a designed treatment air volume of 100,000 m³/h.
- (2) 3 sets of welding dust removal facilities, with a designed treatment air volume of 24,000 m³/h, 220,000 m³/h and 7,680 m³/h, respectively, all adopting the filter cartridge dust removal process.
- (3) 1 set of sanding dust removal facilities, with a designed treatment air volume of 20,000 m³/h.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company builds a hazardous waste warehouse, divided into 2 rooms, 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. Currently, the facilities are in normal operation.

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Wuhu CIMC Ruijiang Automobile Co., Ltd. Industrial sewage:

- (1) 1 set of tank truck powder pretreatment facilities, with the capacity of 5 t/h, adopting the "precipitation + flotation + acidification + biological oxidation" 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 the integrated wastewater treatment station of the plant.
- (2) 1 mixer trucks 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 wastewater, 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) 2 sets of VOCs treatment facilities, 1 set with a designed capacity of 100,000 m³/h, 1 set with a 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 a designed capacity of 5,000 m³/h, adopting the "activated carbon adsorption" process.
 - (3) 10 sets of stationary welding fume treatment facilities, with a 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 a designed capacity of 3,500 m³/h, adopting the "alkaline absorption" process.
 - (5) 1 set of sandblasting waste gas treatment facilities, with capacity of 1,638 m³/h, adopting the "filter cartridge dust removal" process.
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- (6) 1 set of organic waste gas treatment facilities, adopting “pretreatment+ activated carbon adsorption and desorption+ catalytic combustion” process, with a designed capacity of 3,000 Nm³/h.
 - (7) 1 set of acid mist purification tower facilities, adopting “lye spraying + packing tower + mist eliminator” process, with a designed capacity of 10 m³/h.

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.

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.

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Industrial exhaust:

- (1) 4 sets of numerical-controlled cutting fume and dust collection and treatment facilities, with a 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 a 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 a designed capacity of 1,000 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 (1 set) and 120,000 m³/h (1 set), 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.

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 (GBT19923-2005), 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.

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Industrial exhaust:

- (1) 3 sets of welding fume treatment facilities, with a designed capacity of 50,000 m³/h, adopting the electrostatic adsorption process.
- (2) 1 set of sanding dust collection and treatment facilities, with a 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 a designed capacity of 8,500 m³/h, adopting the catalytic combustion process.
- (4) 1 set of powder heating waste gas activated carbon adsorption facilities, with a designed capacity of 3,000 m³/h, adopting the activated carbon adsorption process.
- (5) 1 set of powder drying waste gas adsorption facilities, with a designed capacity of 15,000 m³/h, adopting the activated carbon adsorption process.

Currently, (1) – (4) facilities are in normal operation, while (5) facilities are 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.

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CIMC Vehicles (Shandong) Co., Ltd.

Industrial sewage:

- (1) Production wastewater: the production wastewater treatment station has been built with a capacity of 2.08 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.
- (2) Domestic wastewater: the domestic wastewater treatment station has been built with 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 further treated deeply by Everbright Water (Zhangqiu) Operating Limited.

Currently, all the said facilities are in normal operation.

Industrial exhaust:

- (1) 3 sets of catalytic combustion facilities, with the designed capacity of 60,000 m³/h, 70,000 m³/h and 80,000 m³/h respectively, adopting the activated carbon adsorption + catalytic combustion process.
- (2) 1 set of UV photocatalytic purification facilities and activated carbon adsorption equipment, with the designed capacity of 20,000 m³/h, adopting the UV photocatalytic purification and activated carbon adsorption processes.
- (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.
- (6) Equipped with 1 set of dust treatment equipment for cutting materials, with a rated power of 22KW, an air volume of 20,000 m³/h, adopting the cloth-bag central 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.

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Qingdao CIMC Special Vehicle Co., Ltd. Industrial sewage:

The painting wastewater treatment facility has been built with a 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. 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, pretreatment 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) 1 set of fine plasma fixed filter element dust removal facilities in the welding workshop, and a single set of designed air volume is 18,000 m³/h.
- (5) 47 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:

Two hazardous waste storerooms have been built 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) Production wastewater: 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.
- (2) Domestic wastewater: it is discharged to the municipal network after pre-treated by the septic tank.

Currently, all the said facilities are in normal operation.

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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 putty sanding waste gas treatment facilities in a painting workshop, 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 Vehicles (Liaoning) Co., Ltd.

Industrial sewage:

- (1) Production wastewater: spraying wastewater is replenished regularly for recirculating use, and is not discharged outside.
- (2) Domestic wastewater: After sedimentation in the septic tank, it will be discharged into the municipal pipe network, which will then flow to the sewage treatment plant in the western part of Yingkou City.

Currently, all the said facilities are in normal operation.

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Industry exhaust:

- (1) 3 sets of dust collectors for shot blasting machines, which adopt bag filter treatment method with the designed air volume of 30,000 m³/set.
- (2) 2 sets of negative pressure air circulation systems, which adopt the water curtain method with the designed air volume of 100,000 m³/set.
- (3) 2 sets of VOCs treatment devices, which adopt the activated carbon adsorption + photo-oxygen catalytic oxidation process with the designed air volume of 20,000 m³/set.

Currently, all the said facilities are in normal operation.

Hazardous waste:

1 temporary storage room for hazardous waste has been built. The temporary storage room has been constructed in accordance with the relevant requirements of the Standard for Pollution Control on Hazardous Waste Storage (GB18597-2001), and the ground has been hardened and given anti-seepage treatment. Hazardous wastes in the warehouse are packed in bags with labels on site. Currently, all the said facilities are in normal operation.

Liangshan CIMC Dongyue Vehicle Co., Ltd.

Industrial sewage:

- (1) Production wastewater: 1 set of spraying wastewater treatment equipment with a processing capacity of 9.6 m³/d. Process: spraying wastewater adopts air flotation + Fenton reagent flocculation sedimentation + sedimentation + filtration process, which is replenished regularly for recirculating use, and is not discharged outside.
- (2) Domestic wastewater: 1 set of domestic wastewater treatment equipment with a processing capacity of 2.6 m³/d. Process: the domestic wastewater adopts hydrolytic acidification + SBR + deoxidation + sand filtration + disinfection process for greening, and is not discharged outside.

Currently, all the said facilities are in normal operation.

Industry exhaust:

Equipped with 1 set of catalytic combustion equipment, with the designed air volume of 200,000 m³/h; Process: water rotation, filter cotton filtration, activated carbon adsorption, catalytic combustion, exhaust gas is discharged at an altitude of 15m or more in accordance with national standards.

Currently, all the said facilities are in normal operation.

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Hazardous waste:

A temporary storage room for hazardous waste has been built. The temporary storage room has been constructed in accordance with the relevant requirements of the Standard for Pollution Control on Hazardous Waste Storage (GB18597–2001). The ground has been hardened and given anti-seepage treatment, and a cofferdam is set up around the warehouse to prevent outward leakage. Separate storage measures for different types of hazardous waste are implemented in the warehouse, and classification labels are set on site. Currently, all the said facilities are in normal operation.

CIMC Vehicles (Jiangmen) Co., Ltd.

Industrial sewage:

- (1) Production wastewater: 1 set of the pressure testing water circulation system, and 1 set of painting water circulation system have been built.
- (2) Domestic wastewater: 1 set of integrated treatment system for canteen domestic wastewater has been built.

Currently, all the said facilities are in normal operation.

Industry exhaust:

Equipped with 4 sets of VOCs treatment facilities for paint line, 1 set of particulate matter treatment facilities for sanding, 3 sets of particulate matter treatment facilities for paint polishing room, 1 set of canteen purification system, 3 sets of CNC cutting dust removal system, and 3 sets of laser cutting dust removal system. Currently, all the said facilities are in normal operation.

Hazardous waste:

A special temporary storage warehouse for hazardous waste has been built. Currently, all the said facilities are in normal operation.

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Dongguan CIMC Special Vehicle Co., Ltd. Industrial sewage:

- (1) Production wastewater: 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.
- (2) The Domestic wastewater: the canteen wastewater is treated by oil and residue removal process; the toilet wastewater is treated by Level III septic tank; other domestic wastewater is treated by residue removal process. After such treatment, the domestic wastewater is discharged to the municipal network 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.

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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.

Zhangjiagang CIMC Sanctum Cryogenic Equipment Machinery Co., Ltd.

Industrial sewage:

- (1) Production wastewater: 1 set of acid washing wastewater treatment facilities with a capacity of 40 t/d. After the treatment, all wastewater meets the standard and is reused; 1 set of painting wastewater treatment facilities with a capacity of 60 t/d. After the treatment, all wastewater is recycled and reused.
- (2) Domestic wastewater: 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:

One dedicated hazardous waste warehouse has been built and equipped with three prevention measures and video monitoring devices. The hazardous waste 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.

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.

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Industrial exhaust:

- (1) 1 set of painting waste gas multi-layer filter cotton + secondary activated carbon adsorption facilities, with the designed capacity of 24,306 m³/h; 7 sets of activated carbon adsorption + desorption + catalytic combustion facilities (4 sets with the capacity of 60,000 m³/h, 1 set with the capacity of 20,000 m³/h, 1 set with the capacity of 40,000 m³/h and 1 set with the capacity of 50,000 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.
- (4) 2 sets of cyclone dust removal + filter cartridge dust removal facilities for exterior shot blasting machine waste gas, 1 set of cyclone dust removal + bag dust collector, each with the designed capacity of 5,000 m³/h.
- (5) 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.
- (6) 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.
- (7) 2 sets of bag dust collector for numerical-controlled plasma cutting, each with the capacity of 2,384 m³/h.

Currently, all the said facilities are in normal operation.

Hazardous waste:

The company builds the hazardous waste temporary storeroom with 1 set of VOCs treatment facilities (air volume 5,000 m³/h), which is in normal operation currently.

Nantong CIMC Energy Equipment Co, Ltd. Industrial sewage:

The wastewater treatment station has been built with a 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.

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Industrial exhaust:

- (1) The low-temperature workshop painting waste gas treatment facility adopts the “water curtain + spray + paint mist filtration + secondary activated carbon adsorption + catalytic combustion” process, and the “water curtain + spray + paint mist filtration + secondary activated carbon adsorption” process, emission through the 15m exhaust pipe after treatment in compliance with standards.
- (2) The low-temperature sandblasting waste gas treatment facility adopts the “cyclone + high-efficiency filter dust removal” process, emission through the 15m exhaust pipe after the treatment in compliance with standards.
- (3) The tank truck workshop painting waste gas treatment facility adopts the “water curtain + spray + paint mist filtration + secondary activated carbon adsorption” process, emission through the 15m exhaust pipe after the treatment in compliance with standards.
- (4) The tank truck workshop sandblasting waste gas treatment facilities, adopting the “cyclone + high-efficiency filter dust removal” process, emission through the 15m exhaust pipe after the treatment in compliance with standards.
- (5) The gas bottle production workshop cutting fume treatment facility adopts the “bag dust collecting” process, emission through the 15m exhaust pipe after the treatment in compliance with standards.
- (6) The gas bottle production workshop winding solidification waste gas treatment facility adopts the “water spray + secondary activated carbon adsorption” process, emission through the 15m exhaust pipe after the treatment in compliance with standards.
- (7) The gas bottle production workshop shot blasting waste gas treatment facilities (1 set), adopts the “cyclone + high-efficiency filter dust removal” process, 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 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.

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CIMC Safeway Technologies Co., Ltd

Industrial sewage:

1 set of special acid washing wastewater treatment facilities (500 m³/d) has been built, and the treatment process of "acid neutralization + flocculation and sedimentation" is adopted. There is a spraying wastewater treatment facility (120 m³/d), which adopts biochemical treatment technology. During the production period, the special persons will operate the facilities 24 hours a day. The operators have obtained the qualification certificate issued by the Nantong City Environmental Protection Department. The generated wastewater is discharged into the municipal pipeline network and enters the Donggang Sewage Treatment Plant for further treatment after the treatment reaches the standard. The sewage outlet is standardized and the online monitoring instrument is installed. Currently, the said facilities are in normal operation.

Industry exhaust:

There are 4 sets of VOCs waste gas treatment facilities (2 sets with a capacity of 100,000 m³/h, 1 set with a capacity of 180,000 m³/h and 1 set with a capacity of 200,000 m³/h), using water curtain absorption + dry filtration + activated carbon adsorption + online desorption + catalytic combustion treatment process. The discharge outlets are standardized, and regular maintenance is required for normal operation. Currently, the said facilities are in normal operation.

Hazardous waste:

There is a special hazardous waste storage site with a collection ditch and collection pool, for which the measures to prevent scattering and loss are taken, and they are equipped with waste gas collection, treatment facilities and video surveillance. Hazardous waste identification labels are posted in accordance with the requirements and specifications. The warehouse is managed by dedicated personnel. Currently, the said facilities are in normal operation.

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.

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Industrial exhaust:

- (1) Coating workshop: 4 sets of VOCs exhaust dry screening process + 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 exhaust RTO treatment 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.

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 production wastewater is discharged. Currently, the facilities are in normal operation.

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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 water bath filtration process.

Currently, all the said facilities are in normal operation.

Hazardous waste:

2 hazardous waste warehouses have been built. Currently, the above 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) 6 sets of paint spraying organic waste gas treatment equipment (including 4 sets of activated carbon adsorption + catalytic combustion system and 2 sets of regenerative combustion RTO system), with a capacity of 280,000 m³/h, emission through the exhaust pipe of over 15m after the treatment in compliance with standards.
- (2) 6 sets of sanding 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 temporary hazardous waste warehouses for storing such waste and commissions qualified third party institutions for transportation and treatment. Currently, the facilities are in normal operation.

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C&C Trucks Co., Ltd.

Industrial sewage:

The wastewater of the plant is treated by the self-built wastewater treatment station and adopts the “pretreatment + primary treatment + secondary biochemical treatment” processes. After the treatment, the wastewater from the plant area 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.
- (2) The RTO combustion device is built for frame electrophoresis drying in frame combined workshop.
- (3) Venturi paint mist capturing system is built in the intermediary paint, top coat spraying room of the car body painting workshop.
- (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.
- (5) A DFTO exhaust gas incinerator imported from Germany is built in electrophoresis drying room of car body painting workshop.
- (6) A waste gas adsorption and filtration system is equipped in the paint refinishing room of car body painting workshop.
- (7) The welding fume purifier has been installed at the welding station.
- (8) The exhaust gas collection device has been debugged and activated at the end of the assembly line.

Currently, all the above facilities are in normal operation.

Hazardous waste:

The standardized solid waste warehouse has been built; and the company commissions qualified institutions for the treatment of all hazardous waste. Currently, the facilities are in normal operation.

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Yantai CMIC Raffles offshore Ltd.

Industrial sewage:

- (1) No production wastewater is discharged.
- (2) Domestic wastewater 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) The pretreatment workshop is equipped with dust and paint mist treatment facilities: 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. 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.
- (2) The paint shop is equipped with dust and paint mist treatment facilities: the dust treatment capacity of 2# and 3# workshops are 170,000 m³/h and 170,000 m³/h, respectively. After the exhaust gas is treated by cyclone dust removal + filter cartridge dust removal device, it passes 4 exhaust cylinders with a height of 30m for discharge; the paint mist treatment capacity of 1# and 4# painting workshops is 100,000 m³/h and 90,000 m³/h, respectively. After the exhaust is treated through the dry filtration + activated carbon adsorption and desorption + catalysis combustion device, it is discharged through two 30m high exhaust cylinders; the design treatment capacity of the paint spraying exhaust treatment facility of 5-6# paint shop is 170,000 m³/h, and after the exhaust is treated through dry filtration + activated carbon adsorption and desorption + catalytic combustion device, it is discharged through two 30m high exhaust cylinders. The 5-6# combustion exhaust treatment air volume is 20,000 m³/h, and the exhaust is discharged through one 15m-high exhaust cylinder after passing through the low-nitrogen combustion device.

Currently, all the said facilities are in normal operation.

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Hazardous waste:

Temporary storage of hazardous waste warehouses have been built, and hazardous wastes shall be transported and disposed of by a qualified third party. Currently, the facilities are in normal operation.

Haiyang CIMC Raffles Offshore Ltd.

Industrial sewage:

Mainly being domestic wastewater, 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.

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:

Temporary storage of hazardous waste warehouses have been built, and hazardous wastes shall be transported and disposed of by a qualified third party. Currently, the facilities are in normal operation.

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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) 38 critical pollutant dischargers has obtained the national sewage discharge permit.</p> <p>(2) 1 critical pollutant discharger was closed down in 2020; application has been submitted to the relevant regulator for exemption: Southern CIMC (Pingshan) (南方中集(坪山)).</p> <p>(3) 2 critical pollutant dischargers remain in the rectification period: 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>

Contingency plans for unexpected environment-related events

<p>Whether the contingency plans have been prepared and have valid period</p>	<p>41 critical pollutant dischargers have prepared the environmental contingency plans:</p> <p>(1) 39 of which keep their environmental contingency plans in valid period.</p> <p>(2) One enterprise's emergency plan is under review: Dongguan CIMC Special Vehicle.</p> <p>(3) One enterprise's emergency plan has expired: The emergency plan prepared by Southern CIMC (Pingshan) is valid until July 2020. Because the enterprise has completely ceased production, it will not be updated.</p>
<p>Whether the contingency plans have been filed at governmental agencies</p>	<p>39 critical pollutant dischargers have filed their environmental contingency plans, and the remaining 2 dischargers are as follows:</p> <p>(1) One enterprise is in the process of filing: Dongguan CIMC Special Vehicle will file with the government after the review of the plan is passed, and the review is currently underway.</p> <p>(2) One enterprise's emergency response plan has expired: the emergency response plan of Southern CIMC (Pingshan) has passed its validity period. Since the enterprise has completely ceased production, it will not be updated or filed again.</p>
<p>Whether the emergency drill has been carried out and documented</p>	<p>40 critical pollutant dischargers have carried out environment-related emergency drills, while 1 critical pollutant discharger, namely Southern CIMC (Pingshan), has ceased operation and not carried out such drills.</p>

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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, Southern CIMC (Pingshan) has been discontinued, and therefore has not prepared the self-monitoring environmental program.

Administrative penalties due to environmental issues during the reporting period

There were 7 environmental penalties for our subsidiaries.

Name of company or subsidiary	Reasons for punishment	Violation	Penalty	Impact on the production and operation of listed companies	Rectification measures of the company
Shanghai CIMC Baowell Industries Co. Ltd.	On January 27, the Shanghai Municipal Bureau of Ecology and Environment issued an administrative penalty decision: Hu0100 Huan Fa [2021] No. 5. The Company produced exhaust containing volatile organic exhaust in its zinc powder paint spraying activities, and did not use pollution prevention facilities in accordance with regulations.	It had violated Article 45 of the "Law of the People's Republic of China on the Prevention and Control of Air Pollution".	A penalty of RMB50,000	None	<ol style="list-style-type: none"> In order to ensure that the combustion temperature of the exhaust generated during production meets the control requirements of the exhaust treatment process, adjust the start-up time of RTO environmental protection facilities to 1.5 hours before production; Strengthen the touch screen record management of zinc powder paint RTO exhaust treatment facilities, replace the system and data card with larger memory (replaced from 8G to 16G); Improve the operation records of exhaust treatment facilities, include the runner exhaust temperature and the exhaust outlet temperature of heat exchanger into the record content, and compile and update the "Zinc Powder Paint Exhaust Treatment Facility Operation Record Sheet".

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Name of company or subsidiary	Reasons for punishment	Violation	Penalty	Impact on the production and operation of listed companies	Rectification measures of the company
Shanghai CIMC Baowell Industries Co. Ltd	On January 27, the Shanghai Municipal Bureau of Ecology and Environment issued an administrative penalty decision: Hu0100 Huan Fa [2021] No. 6. The company practised fraud in its environmental management ledger.	It had violated Paragraph 1 of Article 73 of the "Regulations of Shanghai Municipality on Environmental Protection".	A penalty of RMB29,000	None	<ol style="list-style-type: none"> 1. Strengthen the management of environmental protection management ledger; 2. Implement on-site visualization of environmental protection facility operation records for the current month; implement hierarchical confirmation of environmental protection facility operation records (daily confirmation by the work team leader, weekly confirmation by supervisors and directors, and monthly review by the local manager and submit the operation records to the Safety and Environmental Protection Department for filing); 3. Strengthen daily inspections and check daily by the Safety and Environmental Protection Department.
Suzhou CIMC Liangcai Logistics Technology Co. Ltd.	On May 8, the Environmental Protection Bureau of Suzhou Industrial Park issued an administrative penalty decision: Su Yuan Huan Xing Fa Zi [2021] No. 034. It was found that the hazardous waste of organic solvents and ink contaminants of the company had not been truthfully declared.	It had violated Paragraph 1 of Article 78 of the "Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes".	A penalty of RMB100,000	None	<ol style="list-style-type: none"> 1. Change the solvent used in all inks to water-based solvents; 2. Report the ink printing process for environment assessment; 3. Contaminants such as empty ink barrels and rags shall be reported as hazardous waste according to relevant requirements.

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Name of company or subsidiary	Reasons for punishment	Violation	Penalty	Impact on the production and operation of listed companies	Rectification measures of the company
Jiangsu Baojing Auto Parts Co., Ltd.	On July 23, the Ecological Environment Bureau of Zhenjiang City issued an administrative penalty decision: Zhen Jing Huan Fa Zi [2021] No. 26. The company did not set up a hazardous waste label because of the waste paint buckets in the hazardous waste storage site.	It had violated Article 77 of Chapter 6 of the "Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes".	A penalty of RMB100,000	None	<ol style="list-style-type: none"> 1. Draw analogy from one another and conduct a comprehensive investigation of the same problem; 2. Replace all the original self-adhesive stickers with staples to fix relevant labels, and improve related label posting; 3. Strengthen daily on-site management and control, and prevent similar problems from recurring due to poor management.
Liangshan CIMC Dongyue Vehicle Co., Ltd.	On August 9, the Liangshan County Branch of Jining Ecological Environment Bureau issued an administrative penalty decision: Ji Huan Liang Fa Zi [2021] No. 147. Because the drying workshop of the company is not tightly closed, the paint escaped inside and outside the workshop.	It had violated Article 45 of the "Air Pollution Prevention and Control Law of the People's Republic of China".	A penalty of RMB50,000	None	<ol style="list-style-type: none"> 1. Establish the management and control system for paint spray rooms, paint mixing rooms, drying rooms and other production sites, which can only be opened for a short time when people and vehicles enter into and exit from them, and must be closed at other times; 2. Strengthen inspections, arrange special persons to check on the spot, and clean up in time.

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Name of company or subsidiary	Reasons for punishment	Violation	Penalty	Impact on the production and operation of listed companies	Rectification measures of the company
Tianjin Zhenhua International Logistics Co. Ltd.	On August 11, the Ecological Environment Bureau of Tianjin Binhai New Area issued the Administrative Penalty Decision: Jin Bin Huan Fa Zi [2021] No. 71. It was found in the on-site inspection that the exhaust monitoring results of one stacker exceeded the standard.	It had violated Paragraph 1 of Article 33 of the "Regulations of Tianjin Municipality on the Prevention and Control of Pollution by Motor Vehicles and Non-road Mobile Machinery (2020)".	A penalty of RMB5,000	None	1. Install the DPF tail gas filter device; 2. The exhaust was retested and met relevant standards. (the company's rectifications have now passed the review of the local environmental protection department)
Tianjin Zhenhua International Logistics Co. Ltd.	On August 20, the Ecological Environment Bureau of Tianjin Binhai New Area issued the Administrative Penalty Decision: Jin Bin Huan Fa Zi [2021] No. 67. It was found in the on-site inspection that the exhaust monitoring results of one heavy semi-trailer exceeded the standard.	It had violated Paragraph 1 of Article 39 of the "Regulations of Tianjin Municipality on the Prevention and Control of Pollution by Motor Vehicles and Non-road Mobile Machinery (2020)".	A penalty of RMB2,000	None	1. Install the DPF tail gas filter device; 2. The exhaust was retested and met relevant standards. (the company's rectifications have now passed the review of the local environmental protection department)

Other discloseable environmental information

41 critical pollutant dischargers under the Group's subsidiaries have publicized their environmental information through various channels such as websites of relevant governments or enterprises and the Company's bulletin board.

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Other environment-related information

- (1) During Reporting Period, Gansu CIMC Huajun Vehicle Co., Ltd., a subsidiary of the Group, was rated as a provincial-level green factory in Gansu.
- (2) During Reporting Period, CIMC Taicang and Taicang Special Equipment, subsidiaries of the Group, have been recognized by the Taicang Environmental Protection Department as "Green Enterprises" in environmental credit evaluation.

Whether the Company publishes social responsibility report

Yes No

Nature of the Company	Whether includes information on environment	Whether includes information on society	Social responsibility report		Report disclosure standards
			Whether includes information on corporate governance	Domestic 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	Foreign standards GRI

Continuous improvement

1.	Whether received environmental management system certification (ISO14001)	A total of 65 enterprises within the Group obtained environmental management system certifications (ISO14001), and 37 out of the 41 critical pollutant dischargers were certified.
2.	The annual expense in respect of environmental protection (RMB thousand)	The Group has invested RMB157,620,761 in environmental protection in the first half of the year, of which RMB147,377,701 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>For the purpose of VOC control at the source, the segment's Qingdao CIMC Special Reefer (QDCRC) and TCCRC base launched the renovation campaign targeting "Prohibition of Oil and Promotion of Water (禁油推水)", among which QDCRC had completed its technical renovation while Qingdao CIMC Standard Reefer (青冷標箱) and TCCRC are expected to complete their renovation by the end of September. With the launch of the "Prohibition of Oil and Promotion of Water" renovation, the segment has managed to reduce the VOC content at the stage of raw materials, and it is expected to reduce VOC emission by about 70% during the production process of reefers.</p>

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As for final-stage management of VOCs, subordinate enterprises under the segment adopted the advanced molecular sieve concentration runner + high temperature oxidation process, achieving a stable treatment efficiency at above 95%. In the first half of this year, in order to further improve the effect of VOC treatment, CIMC Baowell built two sets of RTO facilities with high treatment efficiency, which have been put into use.

In terms of welding fume control, the segment continuously increased its efforts therein by adopting various methods such as low-dust welding wire, centralized collection and spot collection. In the first half of this year, Qingdao CIMC and CIMC Yangshan completed the welding fume renovation project for their assembly lines, with their welding fume control systems running steadily in full compliance with the relevant standards.

(2) Wastewater improvement:

The segment actively explores the wastewater treatment technology. Currently, most container plants have achieved zero discharge of industrial wastewater, and some subsidiaries have achieved zero discharge of domestic sewage. 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, achieving zero domestic wastewater discharge. The segment's headquarters has been promoting the application of Internet of Things (IoT) technologies in the pilot projects of wastewater management, which on the one hand, will be able to prohibit the wastewater that fails to meet the standards from being discharged, and curb the risk of environmental pollution, and on the other hand, can optimize the operational parameters of its wastewater treatment stations, achieve accurate control of pharmaceuticals and energy consumption, and reduce greenhouse gas emissions therefrom.

(3) Solid waste improvement:

The segment carried on its efforts to treat solid waste towards the goal of "Amount Reduction, Harmlessness and Conversion into Resources (減量化、無害化、資源化)" under the scheme featuring "led by headquarters and promoted by subordinate enterprises". In the first half of this year, through the promotion of recyclable packaging with water-based paint, the segment has managed to reduce hazardous waste by more than 20%, and through the promotion of drying solution for water-based paint slag, it has managed to reduce paint slag by approximately 50%. Meanwhile, the powder coating project was launched in XHCIMC to further explore ways to eliminate solid waste at source.

Road transportation vehicles segment

(1) Waste gas improvement: The company continued to promote the upgrade of its coating process and coating exhaust gas treatment facilities to ensure that the exhaust gas meets the emission standards, and CIMC-SHAC (Xi'An) Special Vehicle Co., Ltd. revamped its coating line and shifted from oil-based paint to water-based paint.

(2) Wastewater improvement: The segment continued to urge its subordinate factories to meet the target of "zero discharge" of wastewater wherever it is feasible, and Dongguan CIMC Special Vehicle Co., Ltd. and Yangzhou CIMC Tong Hua Special Vehicles Co., Ltd. have managed to reuse part of their coating wastewater after treatment, reducing the waste of water resources.

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- (3) Solid waste improvement: All of its subordinate enterprises have temporary storage rooms for hazardous waste and handle it in strict compliance with the national laws and regulations.

Energy, chemical and liquid food equipment segment

- (1) Waste gas improvement:

In terms of VOC treatment, the subordinate enterprises adopted the highly efficient treatment process featuring "activated carbon adsorption + online desorption + catalytic combustion", and scheduling daily maintenance properly to ensure its proper operation; they also have in place the sand blasting treatment facilities, with fixed or mobile welding fume dust removal system to control fugitive emission of dust.

- (2) Wastewater improvement:

Industrial wastewater (paint wastewater, acid wastewater, etc.) is properly recycled and treated in the plant, and some of the enterprises have achieved zero discharge and recycling of industrial wastewater in the plant; all the domestic wastewater has been collected and discharged into the municipal pipeline network through the sewage pipes.

- (3) Solid waste improvement:

Our in-plant storage sites for hazardous waste implemented various management measures in accordance with the regulatory requirements, and entrusted qualified companies to dispose of the hazardous waste.

Offshore engineering segment

- (1) Waste gas improvement:

In terms of VOC treatment at the final stage, the segment introduced a centralized paint mist pre-filter (with built-in filter cotton to filter paint mist), and an activated carbon adsorption - desorption - catalytic combustion device to handle the spraying and solidify and purify waste gas, with a VOC online monitoring system installed to enable real-time monitoring of emissions data;

In terms of VOC treatment at source, Yantai CIMC Raffles and Longkou CIMC Raffles introduced 28 new mobile welding fume filters to handle cutting dust and welding fume, as well as a small amount of paint mist and organic waste gas from the outdoor refinishing process, so as to reduce fugitive emission of dust. They also resorted to joint procurement of organic compound with low volatility and paints and adhesives with low VOC content.

- (2) Wastewater improvement:

The segment continued to improve its wastewater management expertise by strictly controlling the wastewater, such as the cutting wastewater from the pre-treatment workshop, oily wastewater from the outfitting process and commissioning phase, and pipe washing wastewater from the commissioning phase, and reuse them through filtration.

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(3) Solid waste improvement:

The segment strictly enforced the management requirements related to solid waste, strengthen monitoring at source as well as the final stage. Yantai CIMC Raffles has built a new domestic garbage dump to standardize the management of domestic waste.

Airport and logistics facilities, fire safety and rescue equipment segment

(1) Waste gas improvement:

All the subordinate enterprises under the segment were able to meet the emission standards. In terms of reducing paint consumption, TianDa Airport has added new waste gas collection facilities to collect VOCs generated from the wastewater treatment pond and reduce the fugitive emission of VOCs. It has also upgraded its fume and smoke treatment facilities at its canteens to improve the efficiency of waste gas purification. Secondly, Shanghai Jindun has completed the upgrade and renovation of the waste gas purification facilities at the coating line, which passed the test run and acceptance at the end of 2020, and was officially delivered for service in 2021. With the activated carbon adsorption and catalytic combustion device, it has satisfied the standards for waste gas emission.

(2) Wastewater improvement:

There is basically no industrial wastewater discharge from the enterprises under the segment. All the subordinate enterprises have strengthened the treatment efforts of domestic wastewater, among which, Shenyang Jietong collected and reused the test water by adding new wastewater recycling facilities, saving approximately 50 tons of water annually.

(3) Solid waste improvement:

All the enterprises complied with the requirements for solid waste treatment. In terms of reducing the amount of hazardous waste, Shanghai Jindun has adjusted its production process and replaced the steel water tanks with PP water tanks, which has reduced the generation of welding fumes. Shenyang Jietong has completed the design of the new storage room for hazardous waste and plans to complete the construction of the storage room in the second half of 2021, which will significantly improve the storage capacity of the existing hazardous waste room.

Heavy trucks segment

(1) Wastewater improvement:

The segment continuously improved the water quality online monitoring equipment, conducted regular maintenance and increased the testing frequency from 6 times each day to 12 times each day, to ensure that various pollution factors meet the discharge standards. It cleaned and maintained factory sewage pipes to check for leaks and ensure normal discharge of sewage.

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(2) Waste gas improvement:

The segment has reduced the usage of mid-coat paint through production process optimization to shorten the drying time of the car body and reduce waste gas emissions. It has decreased waste gas emissions by integrating production time, reducing production time interval and implementing centralized production, as well as reducing drying equipment running time. Through filter cotton plus two-level activated carbon adsorption method, the content of particulate matter and volatile organic matter in the waste gas discharged from the spraying room has been reduced, with a purification effect of 90%.

(3) Solid waste improvement:

The segment reduced the generation of paint residue through production process optimization, with 0.00024 tons of waste paint residue reduced for each vehicle. It promoted the standardization of hazardous waste management and refined monitoring of various aspects to reduce waste generation and leakage. It carried out the standardized management and regular inspections of hazardous waste warehouses in accordance with the pollution control standards for hazardous waste storage, and strictly implemented the warehousing system and the hazardous waste transfer tracking system. It reduced the inventory of empty oil drums and the leakage of waste paint by reusing them to hold liquid waste such as waste paint; and reduced the amount of solid waste generated by reusing cut and discarded steel plates, saving raw materials.

Logistics segment

(1) Waste gas improvement:

The segment actively explored the upgrading of electric equipment in the yard, including container face-lift cranes, container cranes, forklifts, etc. and updated 2 electric forklifts in the first half of the year.

(2) Wastewater improvement:

The depot enterprises collected, purified and recycled a small amount of container cleaning sewage generated by the operation to reduce the discharge of sewage. It continued to improve the sewage treatment facilities for container washing at various operating points, including: Dalian, Fangcheng Port, Tianjin, Guangzhou, etc.

(3) Solid waste improvement:

The segment explored the new repair container welding dust collection workshop in the Tianjin area, and self-made dust removal equipment in Jiangmen to reduce dust through water spraying devices, etc.

(4) Carbon reduction efforts:

The logistics segment publishes annual HSE policies, objectives and key tasks each year, and sets guidance indicators such as energy consumption and environmental compliance. In terms of internal carbon reduction, it is actively exploring the trend of electrification of loading and unloading and handling equipment, looking into electric container stacking machines, purchasing electric forklifts, considering hydrogen-fueled container trucks, and seeking distributed photovoltaic power generation, etc. In the development of logistics business, it actively undertakes low-carbon business in energy and industry such as offshore wind power and imported scrap steel to help reduce carbon emissions.

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Other Segments: Load segment

(1) Waste gas improvement:

DLCIMC newly installed 1 set of VOC thermal storage combustion device (RTO) to effectively reduce VOCs emissions, and meanwhile strengthened the maintenance of paint spraying room and drying room, as well as strictly managed the open-air construction involving paint to reduce fugitive emissions.

(2) Wastewater improvement:

Each enterprise enhanced the management of domestic water, regularly checked and maintained pipelines and valves, eliminating the occurrence of dripping and leakage.

(3) Solid waste improvement:

The segment strengthened the management of solid waste and promoted the management of hazardous waste such as paint residues among key enterprises to reduce the amount of waste.

II. SOCIAL RESPONSIBILITY

1. Rural Revitalization

The Group actively responded to the country's comprehensive implementation of the rural revitalization strategy, actively promoted the effective linkage between consolidating and expanding the results of poverty eradication and rural revitalization, and gradually and clearly made a unified plan around rural "industrial revitalization, talent revitalization, cultural revitalization, ecological revitalization, and organizational revitalization" to bring the work of rural revitalization to a deeper level. The Group fully leverages its professional strengths, utilizes its technological innovation and global resource integration capabilities to participate in the great task of rural revitalization with efficient efforts, and contributes to write a new chapter of rural revitalization.

(1) Focusing on industrial revitalization, highlighting the development of local industries and promoting local employment

Hunan CIMC New Material Technology Co., Ltd. ("Hunan CIMC") has been actively implementing the national policy of targeted poverty alleviation for a long time, continuously investing in establishing bamboo bases and acquiring bamboo curtains from bamboo curtain production suppliers, solving issues of nearby employment and long-term employment for local poor labor force, promoting local poor people out of poverty, putting poverty alleviation work into practice, and making outstanding contributions to local economic development and employment of rural workers. On 30 April 2021, at the Poverty Alleviation Summary and Commendation Conference of Hunan Province (湖南省脫貧攻堅總結表彰大會), Hunan CIMC was awarded the title of "Poverty Alleviation Advanced Group of Hunan Province" (湖南省脫貧攻堅先進集體).

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(2) Supporting the rural infrastructure construction, and contributing to the building of beautiful and livable villages

Jingmen Hongtu Special Aircraft Manufacturing Co., Ltd. (hereinafter referred to as "CIMC Hongtu"), a subsidiary of CIMC Enric, has actively focused on "Opinions of the Central Committee of the CPC and the State Council on Comprehensively Promoting the Rural Revitalization and Accelerating the Agricultural and Rural Modernization"(《中共中央國務院關於全面推進鄉村振興加快農業農村現代化的意見》), in which it proposed the opinion of "strengthening the construction of rural public infrastructure; facilitating gas to rural area, supporting the construction of safe and reliable rural gas storage tank stations and micro-pipeline network gas supply systems", promoted research and development innovation, and fully understood that the construction and development of "gas to the countryside", as an important component of rural public infrastructure, has great practical significance for the rural energy revolution and environmental protection, the construction of beautiful villages and rural revitalization strategies, and the realization of China's goals of peak carbon emissions and carbon neutrality, as well as the integrated development of urban and rural areas. CIMC Hongtu has organized the development of the first batch of small LPG (liquefied petroleum gas) storage tanks and special tankers with pumps based on safety and digital operation management, which will be put into use in Qinghai, Yunnan and Hubei in the first half of 2021 after vigorous production.

Chapter VIII Significant Events

I. COMMITMENTS PERFORMED DURING THE REPORTING PERIOD AND NOT YET FULFILLED AS AT THE END OF THE REPORTING PERIOD BY UNDERTAKING PARTIES INCLUDING THE DE FACTO CONTROLLER OF THE COMPANY, SHAREHOLDERS, RELATED PARTIES, ACQUIRERS 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 of the Company	The Company	Others	In accordance with the relevant regulations, domestic residents are not eligible to purchase overseas stocks directly, so domestic residents can only hold or sell its H Shares of the Company that they legally possess due to the change of listing location of stocks 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 of the Company, 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 of the Company	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 due, explanations on reasons and working plans for the next step shall be stated in detail	Not applicable					

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II. APPROPRIATION OF THE LISTED COMPANY'S FUNDS BY CONTROLLING SHAREHOLDERS AND OTHER RELATED PARTIES FOR NON-OPERATING PURPOSES

Applicable Not Applicable

There was no appropriation of funds of the listed Company for non-operating purposes by controlling Shareholders and other related parties during the Reporting Period.

III. ILLEGAL EXTERNAL GUARANTEES

Applicable Not applicable

IV. ENGAGEMENT AND DISENGAGEMENT OF FIRMS OF ACCOUNTANTS

Whether the interim financial report has been audited or not

Yes No

The 2021 Interim Financial Report has not been audited.

On 2 June 2021, as considered and approved at the 2020 annual general meeting, the Company appointed PricewaterhouseCoopers Zhong Tian LLP as the auditor of the Company for 2021.

V. STATEMENTS OF THE BOARD AND THE SUPERVISORY COMMITTEE ON THE "NON-STANDARD AUDITING REPORT" ISSUED BY THE ACCOUNTANT DURING THE REPORTING PERIOD

Applicable Not applicable

VI. STATEMENT OF THE BOARD ON THE AFFAIRS RELATING TO "NON-STANDARD AUDITING REPORT" FOR THE PREVIOUS YEAR

Applicable Not applicable

Chapter VIII Significant Events

VII. BANKRUPTCY OR REORGANISATION RELATED ISSUES

Applicable Not applicable

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

VIII. 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

IX. PENALTIES AND REMEDIES

Applicable Not applicable

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

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

Applicable Not applicable

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

Chapter VIII Significant Events

XI. MATERIAL RELATED TRANSACTIONS DISCLOSED ACCORDING TO SHENZHEN LISTING RULES

1. Related 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 exceeded	Settlement method	Available market price of a similar transaction	Disclosure date	Disclosure index
Orient International Container (Jinzhou) Co., Ltd.	Subsidiary of former significant Shareholder	Sale of goods	Sale of goods	Regular commercial terms	-	52,525	-	-	-	-	-	-	-
Huanyu Oriental International Container (Qidong) Co., Ltd.	Subsidiary of former significant Shareholder	Sale of goods	Sale of goods	Regular commercial terms	-	34,283	-	-	-	-	-	-	-
Orient International Container (Lianyungang) Co., Ltd.	Subsidiary of former significant Shareholder	Sale of goods	Sale of goods	Regular commercial terms	-	17,111	-	-	-	-	-	-	-
Huanyu Oriental International Container (Ningbo) Co., Ltd.	Subsidiary of former significant Shareholder	Sale of goods	Sale of goods	Regular commercial terms	-	13,116	-	-	-	-	-	-	-
Huanyu Oriental International Container (Qingdao) Co., Ltd.	Subsidiary of former significant Shareholder	Sale of goods	Sale of goods	Regular commercial terms	-	12,285	-	-	-	-	-	-	-
Yiu Lian Dockyards (Shekou) Limited	Subsidiary of former significant Shareholder	Sale of goods	Sale of goods	Regular commercial terms	-	52	-	-	-	-	-	-	-
Total					-	129,372	-	-	-	-	-	-	-
Details of substantial sales return				Nil									
Projected total amount of related 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 2021, the actual total amount of continuing related transactions between the Group and COSCO SHIPPING Development Group was RMB129.320 million, which did not exceed the annual cap of RMB2,700 million for the year 2021 as agreed in the Supplemental Agreement to the Framework Agreement for Sale of Goods entered into by both parties on 30 October 2019.									
Reason for the substantial difference between transaction prices and referential market prices (if applicable)				Not applicable									

Chapter VIII Significant Events

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

Applicable Not applicable

3. Related Transactions Relating to Joint External Investments

Applicable Not applicable

4. Claims and Liabilities among the Related Transactions

Applicable Not applicable

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

Yes No

For relevant information on claims and liabilities among the related transactions during the Reporting Period, please refer to note VIII. 5.(4) of "Chapter XI 2020 Interim Financial Report (Unaudited)" in this Report.

5. Transactions with connected finance companies and finance companies whose equity are controlled by the Company

Applicable Not applicable

Deposit business

Unit: RMB thousand

Related party	Relationship	Maximum daily deposit balance	Range of interest rate	Balance at the beginning of the period	Change in the Reporting Period	Balance at the end of the period
CIMC Industry & City	The Group's Directors, Supervisors and senior management holding positions	5,000,000	With reference to market rates	128,000	8,002.15	136,002.15

Loan business

Unit: RMB thousand

Related party	Relationship	Loan amount	Range of lending rate	Balance at the beginning of the period	Change in the Reporting Period	Balance at the end of the period
CIMC Industry & City	The Group's Directors, Supervisors and senior management holding positions	2,090,000	With reference to market rates	295,086	(189,832.72)	105,253.28

Chapter VIII Significant Events

Facilities and other financial businesses

Unit: RMB thousand

Related party	Related Relationship	Type of business	Credit line	Effective credit balance
CIMC Industry & City	The Group's Directors, Supervisors and senior management holding positions	Facilities	2,090,000	180,000

6. Other Material Related Transactions

Applicable Not applicable

There was no other material related transactions of the Company during the Reporting Period.

XII. 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.

2. Material Guarantees

Applicable Not applicable

Chapter VIII Significant Events

Description of Guarantees

Unit: RMB thousand

External guarantees undertaken by the Company and its subsidiaries (excluding guarantees for subsidiaries)										
Name of the guaranteed	Disclosure date of the announcement about the guarantee facilities	Guarantee facilities	Actual date	Actual amount of guarantee	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Guarantee period	Fulfilled or not	Related party guarantee or not
Customers of CIMC Container Holding Co., Ltd.	29 March 2021	130,000	1 January 2021	-	Warrantice	Nil	Nil	1-2 years	No	No
Customers of CIMC Vehicles (Group) Co., Ltd.	29 March 2021	5,000,000	1 January 2021	2,160,781	Warrantice	Nil	Secured	1-2 years	No	No
Customers of Shenyang CIMC Industrial Park Investment Development Co., Ltd.	29 March 2021	80,000	1 January 2021	-	Warrantice	Nil	Nil	1-2 years	No	No
Customers of Shaanxi CIMC Vehicles Industrial Park Investment Development Co., Ltd.	29 March 2021	50,000	1 January 2021	12,750	Warrantice	Secured	Nil	1-2 years	No	No
Customers of Kunming CIMC Vehicle Park Development Co., Ltd.	29 March 2021	40,000	1 January 2021	-	Warrantice	Nil	Nil	1-2 years	No	No
Customers of CIMC Enric Holdings Limited	29 March 2021	200,000	1 January 2021	-	Warrantice	Nil	Nil	1-2 years	No	No
Customers of C&C Trucks Co., Ltd.	29 March 2021	1,200,000	1 January 2021	670,397	Warrantice	Nil	Secured	1-2 years	No	No
Customers of CIMC Modern Logistics Development Co., Ltd.	29 March 2021	200,000	1 January 2021	-	Warrantice	Nil	Nil	1-2 years	No	No
Customers of CIMC Financial Leasing Co., Ltd.	29 March 2021	100,000	1 January 2021	-	Warrantice	Nil	Nil	1-2 years	No	No
Shenzhen CIMC Industry & City Development Group Co., Ltd.	29 March 2021	1,500,000	1 January 2021	1,088,062	Warrantice	Nil	Secured	1-2 years	No	Yes
Total external guarantee facilities approved during the Reporting Period (A1)			8,500,000	Total actual amount of external guarantees during the Reporting Period (A2)						1,225,381
Total external guarantee facilities approved at the end of the Reporting Period (A3)			8,500,000	Total actual balance of external guarantees at the end of the Reporting Period (A4)						3,931,990

Chapter VIII Significant Events

The Company's guarantees for subsidiaries

Name of the guaranteed	Disclosure date of the announcement about the guarantee facilities	Guarantee facilities	Actual date	Actual amount of guarantee		Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Guarantee period	Fulfilled or not	Related party guarantee or not
Subsidiaries of CIMC (with gearing ratio of over 70%)	29 March 2021	20,500,000	1 January 2021	7,699,693		Warrantice	Nil	Partially secured	1-2 years	No	No
Subsidiaries of CIMC (with gearing ratio of less than 70%)	29 March 2021	5,500,000	1 January 2021	1,949,758		Warrantice	Nil	Partially secured	1-2 years	No	No
Overseas holding subsidiaries of CIMC	29 March 2021	35,000,000	1 January 2021	22,106,010		Warrantice	Nil	Nil	1-2 years	No	No
Total guarantee facilities for subsidiaries approved during the Reporting Period (B1)			61,000,000	Total actual amount of guarantees for subsidiaries during the Reporting Period (B2)							2,701,956
Total guarantee facilities for subsidiaries approved at the end of the Reporting Period (B3)			61,000,000	Total actual balance of guarantees for subsidiaries at the end of the Reporting Period (B4)							31,755,461

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Subsidiaries' guarantees for subsidiaries

Name of the guaranteed	Disclosure date of the announcement about the guarantee facilities	Guarantee facilities	Actual date	Actual amount of guarantee		Collateral (if any)	Counter guarantee (if any)	Guarantee period	Fulfilled or not	Related party guarantee or not
				Type of guarantee	Amount					
Guarantee of one subsidiary for another (with gearing ratio of over 70%)	29 March 2021	9,300,000	1 January 2021	5,739,971	Warrantice	Nil	Partially secured	1-2 years	No	No
Guarantee of one subsidiary for another (with gearing ratio of less than 70%)	29 March 2021	6,200,000	1 January 2021	3,149,234	Warrantice	Nil	Partially secured	1-2 years	No	No
Total guarantee facilities for subsidiaries approved during the Reporting Period (C1)			15,500,000	Total actual guarantee amount for subsidiaries during the Reporting Period (C2)						3,996,740
Total guarantee facilities for subsidiaries approved at the end of the Reporting Period (C3)			15,500,000	Total actual guarantee balance for subsidiaries at the end of the Reporting Period (C4)						8,889,205
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)						7,924,077
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)						44,576,656
% of total actual guarantee amount (A4+B4+C4) in net assets of the Company										95.05%
Of which:										
Guarantee balance provided to Shareholders, the de facto controller and related parties (D)										1,088,062
Debt guarantee balance provided directly or indirectly to the guaranteed with a gearing ratio of over 70% (E)										35,545,674
Amount of total guarantee amount in excess of 50% of net assets of the Company (F)										-
Total amount of the above three guarantees (D+E+F)										36,633,736
Guarantees which are not due but have incurred guarantee liability or are likely to incur joint settlement liability during the Reporting Period (if any)										-
Guarantees provided to the external parties in violation of the procedures (if any)										-

Guarantees provided in a combined manner:

No guarantees were provided in a combined manner during the Reporting Period.

Chapter VIII Significant Events

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 2021 Interim Financial Report (Unaudited)" in this Report.

4. Material Contracts Related to Daily Operations

Applicable Not applicable

5. Other Material Contracts

Applicable Not applicable

XIII. EXPLANATION ON OTHER SIGNIFICANT EVENTS

- On 9 March 2021, the Board of the Company received the written resignations from Mr. LIU Chong, a director of the Company, and Mr. GAO Xiang, a director of the Company. Mr. LIU Chong has tendered his resignation from the positions of director, vice-chairman and the member of the Strategy Committee of the Board of the Company due to the change in job assignments. Mr. LIU Chong will not take any position in the Company upon his resignation of the aforesaid positions. Mr. GAO Xiang has tendered his resignation from the position of director of the Company due to the change in job assignments. Mr. GAO Xiang's position as the president of the Company and other positions in the subsidiaries of the Company remain unchanged upon his resignation of the aforesaid position. The resignations of Mr. LIU Chong and Mr. GAO Xiang have taken effect from the date of the Board's receipt of their written resignations. On the same date, the Supervisory Committee of the Company received the written resignation from Mr. LIN Feng, the chairman of the Supervisory Committee. Mr. LIN Feng has tendered his resignation from the positions of chairman of the Supervisory Committee and the supervisor representing shareholder of the Company due to the change in work arrangement. Mr. LIN Feng will not take any position in the Company upon his resignation of the aforesaid positions. On 15 March 2021, the By-election of Mr. ZHU Zhiqiang (朱志強) and Mr. KONG Guoliang (孔國梁) as Directors of the Ninth Session of the Board and the By-election of Ms. SHI Lan (石瀾) as a supervisor representing shareholder of the Ninth Session of the Supervisory Committee were approved by the fifth meeting in 2021 of the ninth session of the Board and the first meeting in 2021 of the ninth session of the Supervisory Committee of the Company, respectively. On 7 April 2021, the matter was considered and approved at the second extraordinary general meeting for 2021. For relevant information, please refer to the announcements published on Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcements Nos.: [CIMC] 2021-014, [CIMC] 2021-020, [CIMC] 2021-036, [CIMC] 2021-037, [CIMC] 2021-038, [CIMC] 2021-039 and [CIMC] 2021-040) and the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 9 March 2021, 15 March 2021 and 7 April 2021.

Chapter VIII Significant Events

2. On 29 March 2021, as considered and approved at the seventh meeting in 2021 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 Meetings, which has been considered and approved at the annual general meeting for 2020 convened on 2 June 2021 by 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] 2021-031 and [CIMC] 2021-060) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 29 March 2021 and 2 June 2021.
3. On 29 March 2021, as considered and approved at the seventh meeting in 2021 of the ninth session of the Board of the Company, the Company proposed the registration issuance of debt financing instruments of the Association of Financial Market Institutional Investors with an issue size not exceeding a total of RMB12 billion. Such registration issuance has been considered and approved at the annual general meeting for 2020 convened on 2 June 2021 by the Company and is subject to the registration with the National Association of Financial Market Institutional Investors. 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] 2021-032 and [CIMC] 2021-060) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 29 March 2021 and 2 June 2021.
4. On 29 March 2021, Resolution Regarding the Appointment of the Senior Management and Resolution Regarding the Approval on Appointment of the Authorised Representative, Joint Company Secretary and Representative of Securities Affairs were considered and approved at the seventh meeting in 2021 of the ninth session of the Board of the Company. It was agreed to (1) re-appoint Mr. Huang Tianhua and Mr. Yu Yuqun as the vice presidents of the Company for a term of three years from the date of approval by the seventh meeting in 2021 of the ninth session of the Board and ending on the conclusion of the Board for 2024; appoint Mr. Wu Sanqiang as the secretary to the Board/a joint company secretary of the Company for a term of three years from 30 March 2021 and ending on the conclusion of the Board for 2024 according to the nomination by Mr. Mai Boliang (as chairman and CEO); (2) appoint Mr. Wu Sanqiang as an authorised representative of the Company under Rule 3.05 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited with effect from 30 March 2021. The capacity as an authorised representative of Mr. Mai Boliang, a director, remains unchanged. Ms. He Linying was appointed as the alternative authorised representative of the Company; (3) appoint Ms. He Linying as the representative of securities affairs of the Company and a joint company secretary with effect from 30 March 2021. 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] 2021-033) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 29 March 2021.

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5. On 25 January 2021, CIMC TianDa officially delisted from the Hong Kong Stock Exchange by way of scheme of arrangement. On 16 April 2021, the Resolution on Proposed Listing of CIMC-TianDa Holdings Company Limited was considered and approved at the tenth meeting in 2021 of the ninth session of the Board of the Company, which approves: the planning of an initial public offering of RMB-denominated ordinary shares (A shares) of CIMC TianDa in the PRC and listing on the Shenzhen Stock Exchange by the Company, which has been considered and approved at the annual general meeting for 2020 convened on 2 June 2021 by 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] 2020-080, [CIMC] 2020-103, [CIMC] 2021-004, [CIMC] 2021-043, [CIMC] 2021-044 and [CIMC] 2021-060) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 4 October 2020, 8 October 2020, 24 December 2020, 21 January 2021, 16 April 2021 and 2 June 2021.
6. On 17 May 2021, the Resolution on Proposed Listing of CIMC Safeway Technologies Co., Ltd on the ChiNext of the Shenzhen Stock Exchange was considered and approved at the thirteenth meeting in 2021 of the ninth session of the Board of the Company, which agreed with the proposed offering of A shares by and listing of CIMC Safeway Technologies Co., Ltd, a holding subsidiary of CIMC Enric on the ChiNext of the Shenzhen Stock Exchange, and the Company will vote in favor of resolution on the listing proposal at its extraordinary general meeting. 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] 2021-049) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 17 May 2021.
7. On 18 June 2021, the Resolution on Consideration of the Second Tranche Bonus Balance Fund Trust Scheme under the Profit Sharing Scheme was considered and approved at the sixteenth meeting in 2021 of the ninth session of the Board of the Company: approval of setting up the second tranche trust scheme with the bonus balance fund under the profit sharing scheme of RMB143 million pursuant to the Trust and Operation Scheme for Surplus Fund under the Profit Sharing Scheme of CIMC Group considered and approved at the annual general meeting for 2019; approval of the term of the second tranche trust scheme to be 60 months. On 21 June 2021, the Company issued the Trust Contract for CITIC Trust Zhongcuiying Trust Project Phase 202101 of China International Marine Containers (Group) Co., Ltd (《中國國際海運集裝箱（集團）股份有限公司中信信託中萃盈信託項目202101期信託合同》). On 30 June 2021 and 2 August 2021, the Company issued the progress of implementation for the second phase of the trust plan. As at the date of this report, the Partnership under the second phase of the trust plan purchased 6,484,200 H Shares of the Company cumulatively through the Southbound Stock Connect in the secondary market, which accounted for 0.1804% of the total share capital of the Company. The average transaction price was HKD16.91 per share (tax and fees exclusive). 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] 2021-063, [CIMC] 2021-067 and [CIMC] 2021-073) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 18 June 2021, 21 June 2021, 30 June 2021 and 2 August 2021.

Chapter VIII Significant Events

8. On 30 June 2021, the Company and Yantai Guofeng Investment Holdings Group Co., Ltd. (“Yantai Guofeng Group”) entered into the Strategic Cooperation Agreement between Yantai Guofeng Investment Holdings Group Co., Ltd. and China International Marine Containers (Group) Co., Ltd. on Joint Establishment of a Leading Platform for Development of Deep-sea Industry (the “Strategic Cooperation Agreement”). Both parties intend to integrate high-quality assets, to jointly promote the development of deep-sea industry. The Strategic Cooperation Agreement entered into is a framework cooperation agreement, the final implementation shall be subject to entering into a separate formal cooperation agreement, and there is still uncertainty. 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] 2021-066) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 30 June 2021.

Summary of significant events	Disclosure date	Index for disclosure websites of temporary announcement
Resignation and appointment of Directors and Supervisors of the Company	9 March 2021, 15 March 2021 and 7 April 2021	www.cninfo.com.cn www.hkexnews.hk www.cimc.com
Amendments to the Articles of Association and the Rules of Procedures for the General Meetings	29 March 2021 and 2 June 2021	
Proposed registration issuance of debt financing instruments of the Association of Financial Market Institutional Investors	29 March 2021 and 2 June 2021	
Re-appointment of senior management and changes of authorised representative, joint company secretary and representative of securities affairs	29 March 2021	
Delisting of CIMC TianDa from the Hong Kong Stock Exchange and planning of listing of CIMC TianDa on the Shenzhen Stock Exchange	4 October 2020, 8 October 2020, 24 December 2020, 21 January 2021, 16 April 2021 and 2 June 2021	
Listing of CIMC Safeway on the Shenzhen Stock Exchange	17 May 2021	
The second tranche trust scheme with the bonus balance fund under the profit sharing scheme	18 June 2021, 21 June 2021 and 30 June 2021	
Signing of the framework cooperation agreement with Yantai Guofeng Investment Holdings Group Co., Ltd.	30 June 2021	

Chapter VIII Significant Events

XIV. SIGNIFICANT EVENTS OF SUBSIDIARIES

Applicable Not applicable

- On 5 February 2021, CIMC Financial Leasing Company, a subsidiary of the Company, intended to establish the asset-backed securities program through program managers and proposed to apply to the Shenzhen Stock Exchange for the registration and issuance of asset-backed securities for medical devices leasing with a size not exceeding RMB370 million and to apply for the shelf offering of asset-backed securities for small and micro-sized vehicles leasing with a size not exceeding RMB2.5 billion. The issuance plan is not required to be submitted to the general meeting of the Company for consideration. The final issuance plan is subject to the approval of the Shenzhen Stock Exchange. For relevant information, please refer to the announcements published by the Company on Cninfo website (www.cninfo.com.cn), the Company's website (www.cimc.com) (announcement No.: [CIMC] 2021-008) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 5 February 2021.
- On 7 July 2021, CIMC Vehicles completed A Share Offering, and the A Shares of CIMC Vehicles will be listed and commence trading on the ChiNext Market of the Shenzhen Stock Exchange on 8 July 2021. For relevant details, please refer to the announcements published on Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcement Nos.: [CIMC] 2021-050, [CIMC] 2021-065 and [CIMC] 2021-069) and the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 19 May 2021, 21 June 2021 and 7 July 2021.

Summary of significant events	Disclosure date	Index for disclosure websites of temporary announcement
Application of CIMC Financial Leasing Company for issuance of asset-backed securities	5 February 2021	www.cninfo.com.cn www.hkexnews.hk www.cimc.com
CIMC Vehicles' completion of A Share Offering	19 May 2021, 21 June 2021 and 7 July 2021	

Chapter VIII Significant Events

XV. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

1. On 23 July 2021, the 18th meeting of the ninth session of the Board of the Company in 2021 considered and passed the Information Disclosure Management System of China International Marine Containers (Group) Co., Ltd., (《中國國際海運集裝箱（集團）股份有限公司信息披露管理制度》), the revised 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). For relevant information, please refer to the announcement published by the Company on 23 July 2021 (Announcement No.: [CIMC] 2021-072) and the announcement published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk).
2. On 23 August 2021, the 20th meeting of the ninth session of the Board of the Company in 2021 considered and passed the relevant resolution, and agreed that CIMC Shilianda Logistics Technology (Group) Co., Ltd. ("CIMC Shilianda", formerly known as "CIMC Modern Logistics Development Co., Ltd.", with the name changed on 21 July 2021), a majority-owned subsidiary of the Company, would participate in the tendering of 25% equity interest of Zhenhua Logistics Group Co., Ltd. with the reserve price of not more than RMB374,037,650. For relevant information, please refer to the announcements published by the Company on 23 August 2021 (Announcement Nos.: [CIMC] 2021-076 and [CIMC] 2021-077) and the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk).
3. On 27 August 2021, the 21st meeting of the ninth session of the Board of the Company in 2021 considered and passed the relevant resolution, and agreed that the Company would adjust the approved guarantee limits of certain subsidiaries as well as associates and joint ventures and increase the list of classified guarantees of subsidiaries and the list of guarantees of associates and joint ventures, provided that the total guarantee limits approved at the 2020 annual general meeting remains unchanged. The aforesaid adjustment matter is subject to the consideration at the general meeting of the Company. For relevant information, please refer to the announcement published by the Company on 27 August 2021 (Announcement No.: [CIMC]2021-080) and the announcement published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk).
4. On 27 August 2021, the 21st meeting of the ninth session of the Board of the Company in 2021 considered and passed the relevant resolution, and agreed the signing of the Financial Services Framework Agreement (the "Framework Agreement") between CIMC Finance Company, a subsidiary of the Company, and CIMC Industry & City, a related party of the Company. Pursuant to the Framework Agreement, CIMC Finance Company provides financial services to CIMC Industry & City and its subsidiaries, including deposit-taking services and loan services (the "Connected Transaction"). The transaction limit of the Connected Transaction is as follows: the maximum daily deposit balance of CIMC Industry & City and its subsidiaries with CIMC Finance Company shall not exceed RMB3 billion; the principal balance of loans provided by CIMC Finance Company to CIMC Industry & City and its subsidiaries shall not exceed RMB1.5 billion. For relevant information, please refer to the announcement published by the Company on 27 August 2021 (Announcement No.: [CIMC]2021-081) and the announcement published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk).

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5. On 27 August 2021, the 21st meeting of the ninth session of the Board of the Company in 2021 considered and passed the relevant resolution, and agreed that the Company would carry out interim adjustment to the cap of hedging business of exchange rate derivatives: to adjust the maximum holdings from no more than USD5 billion or equivalents to no more than USD7 billion or equivalents; in addition, the cap of hedging business of interest rate and steel derivatives shall remain the same with the cap originally approved in the seventh meeting of the ninth session of the Board of the Company in 2021. For relevant information, please refer to the announcement published by the Company on 27 August 2021 (Announcement No.: [CIMC]2021-082) and the announcement published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk).

6. On 5 February 2021, the 2nd meeting of the ninth session of the Board of the Company in 2021 considered and passed the relevant resolution that CIMC Financial Leasing Company, a subsidiary of the Company, intended to establish the asset-backed securities program through program managers and proposed to apply to the Shenzhen Stock Exchange for the shelf offering of asset-backed securities for small and micro-sized vehicles leasing (the "Small and Micro-sized Vehicles Asset ABS"). According to the No-objection Letter Regarding the Compliance with Conditions on Listing on the Shenzhen Stock Exchange of the "Financial Leasing Asset-backed Securities Program with the 1-X Tranche of Small and Micro-Sized Vehicles of CIMC Leasing" of Minmetals Securities (Shen Zheng Han [2021] No. 510) issued by the Shenzhen Stock Exchange on 21 July 2021, the Shenzhen Stock Exchange approved the offering of the asset-backed securities program for Small and Micro-sized Vehicles Asset ABS by CIMC Leasing in tranches in 24 months, in a total amount of not more than RMB2.0 billion and in not more than 12 tranches. Minmetals Securities Co., Ltd., as the manager of the Financial Leasing Asset-backed Securities Program with the First Tranche of Small and Micro-Sized Vehicles of CIMC Leasing, has offered senior class and secondary class asset-backed securities to qualified investors, and the securities have been fully subscribed for on 3 September 2021. In particular, part of the secondary class asset-backed securities were subscribed for by CIMC Leasing. For relevant information, please refer to the announcements published by the Company on 5 February 2021 and 3 September 2021 (Announcement Nos.: [CIMC]2021-007, [CIMC]2021-008 and [CIMC]2021-084) and the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk).

Chapter IX Changes in Share Capital 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 2020)		Increase/decrease (+/-) Conversion					Post-movement (As at 30 June 2021)	
	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 persons	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 persons	0	0.00%	0	0	0	0	0	0	0.00%
Shares held by foreign natural persons	0	0.00%	0	0	0	0	0	0	0.00%
II. Shares without selling restrictions	3,594,163,358	99.98%	0	0	0	0	0	3,594,163,358	99.98%
1. RMB-denominated ordinary shares (A Shares)	1,534,271,428	42.68%	0	0	0	0	0	1,534,271,428	42.68%
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	57.30%	0	0	0	0	0	2,059,891,930	57.30%
4. Others	0	0.00%	0	0	0	0	0	0	0.00%
III. Total shares	3,595,013,590	100.00%	0	0	0	0	0	3,595,013,590	100.00%

Approval for changes in share capital

Applicable Not applicable

Transfer for changes in shares

Applicable Not applicable

Chapter IX Changes in Share Capital and Information on Substantial Shareholders

Effects of changes in share capital 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)
2020	Basic earnings per share	1.42	1.41
	Diluted earnings per share	1.42	1.41
	Net assets per share attributable to shareholders and other owners of equity interests of the parent (Total shares based on ordinary shares outstanding at the end of the period)	12.28	12.24
The first half of 2021	Basic earnings per share	1.1673	1.1673
	Diluted earnings per share	1.1670	1.1670
	Net assets per share attributable to shareholders and other owners of equity interests of the parent (Total shares based on ordinary shares outstanding at the end of the period)	13.05	13.05

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: Share

Name of Shareholders	Number of shares with selling restrictions at the beginning of the Period	Number of shares with selling restrictions expired in the Period	Increase in number of shares with selling restrictions in the Period	Number of shares with selling restrictions at the end of the Period	Reasons for selling restrictions	Expiry date of selling restrictions
Mai Boliang (Note)	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 (Note)	405,000	0	0	405,000	Same as above	Nil
Total	850,232	0	0	850,232	-	-

Note: In accordance with relevant provisions of stock exchanges and clearing companies, regarding the shares attributable to the executives of the Company, 25% of total shares held by them will be traded freely at the beginning of each year and the unsold part will be included into total shares held by the senior management at the end of the year to calculate the shares with selling restrictions for next year. During the Reporting Period, due to the Company's Chairman and CEO Mr. Mai Boliang and its vice president Mr. Huang Tianhua did not sell shares, and thus 445,232 shares and 405,000 shares held by them respectively subject to selling restrictions attributable to executives remain unchanged.

Chapter IX Changes in Share Capital 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 2021 was 70,216, including 70,189 holders of A Shares and 27 registered holders of H Shares.

Unit: Share

Total ordinary Shareholders at the end of the Reporting Period	Total: 70,216 (Including: A Shares: 70,189, H Shares: 27)	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 held 5% or above 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 (Shares)	Changes during the Reporting Period (Shares)	Number of ordinary shares held with selling restrictions (Shares)	Number of ordinary shares held without selling restrictions (Shares)	Pledged, marked or frozen shares	
							Status	Number
HKSCC Nominees Limited (Note 1)	Foreign legal person	58.72%	2,111,076,112	18,787,119	-	2,111,076,112	-	-
Shenzhen Capital Holdings Co., Ltd. (Note 2)	State-owned legal person	9.74%	350,000,000	-	-	350,000,000	-	-
COSCO Container Industries Limited	Foreign legal person	3.89%	139,913,912	(28,692,300)	-	139,913,912	-	-
China Securities Finance Corporation Limited	State-owned legal person	1.26%	45,240,542	(29,821,209)	-	45,240,542	-	-
Henan Yiluo Investment Management Co., Ltd. – Jun'an No.9 Yiluo private equity investment fund	Domestic non-state-owned legal person	1.21%	43,416,353	64,520	-	43,416,353	-	-
Henan Yiluo Investment Management Co., Ltd. – Junxing No.10 private equity fund	Domestic non-state-owned legal person	0.99%	35,540,686	750,000	-	35,540,686	-	-
Miao Yanfen (苗艳芬)	Domestic natural person	0.84%	30,081,857	11,492,844	-	30,081,857	-	-
COSCO SHIPPING Development Co., Ltd.	State-owned legal person	0.76%	27,442,300	27,442,300	-	27,442,300	-	-
Henan Yiluo Investment Management Co., Ltd. – Junxing No.4 private equity fund	Domestic non-state-owned legal person	0.65%	23,393,874	756,720	-	23,393,874	-	-
CITIC – Prudential Life Insurance Co., Ltd. – participating products (Note 3)	Domestic non-state-owned legal person	0.55%	19,733,298	-	-	19,733,298	-	-

Chapter IX Changes in Share Capital and Information on Substantial Shareholders

Shareholdings of the ordinary Shareholders who held 5% or above 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 held with selling restrictions	Number of ordinary shares held without selling restrictions	Pledged, marked or frozen shares		
			(Shares)	(Shares)	(Shares)	(Shares)	Status	Number	
Strategic investors or ordinary legal persons who became top ten ordinary Shareholders due to placing of new shares (if any)		None							
Explanation on the relationship or concerted action of the above Shareholders		Unknown							
Explanation on above shareholders' delegation of/being entrusted with and waiver of voting rights		Not applicable							
Special explanation on the existence of repurchase dedicated accounts among the top ten Shareholders (if any)		Not applicable							

Chapter IX Changes in Share Capital 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)	2,059,769,740	Overseas listed foreign shares	2,059,769,740
HKSCC Nominees Limited (Note 1)	51,306,372	RMB-denominated ordinary shares	51,306,372
Shenzhen Capital Holdings Co., Ltd. (Note 2)	350,000,000	RMB-denominated ordinary shares	350,000,000
COSCO Container Industries Limited	139,913,912	RMB-denominated ordinary shares	139,913,912
China Securities Finance Corporation Limited	45,240,542	RMB-denominated ordinary shares	45,240,542
Henan Yiluo Investment Management Co., Ltd. – Jun'an No.9 Yiluo private equity investment fund	43,416,353	RMB-denominated ordinary shares	43,416,353
Henan Yiluo Investment Management Co., Ltd. – Junxing No.10 private equity fund	35,540,686	RMB-denominated ordinary shares	35,540,686
Miao Yanfen (苗艷芬)	30,081,857	RMB-denominated ordinary shares	30,081,857
COSCO SHIPPING Development Co., Ltd.	27,442,300	RMB-denominated ordinary shares	27,442,300
Henan Yiluo Investment Management Co., Ltd.– Junxing No.4 private equity fund	23,393,874	RMB-denominated ordinary shares	23,393,874
CITIC – Prudential Life Insurance Co., Ltd. – participating products (Note 3)	19,733,298	RMB-denominated ordinary shares	19,733,298
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)	None		

Note 1: Among the holders of H shares of the Company, HKSCC Nominees Limited held the shares on behalf of the non-registered shareholders. As at 30 June 2021, HKSCC Nominees Limited held 2,111,076,112 shares of the Company on behalf of these shareholders, including 51,306,372 A shares and 2,059,769,740 H shares. These H shares include (but not limited to):

- (1) As at 30 June 2021, 880,429,220 H shares (Long Position (L)) of the Company held by China Merchants Group Limited through its subsidiaries (including China Merchants (CIMC) Investment Limited);
- (2) 719,089,532 H shares directly held by Shenzhen Capital Group through its wholly-owned subsidiary Shenzhen Capital (Hong Kong) Container Investment Co., Ltd. ("Shenzhen Capital (Hong Kong)");
- (3) 182,273,280 H shares held by CITIC – Prudential Life Insurance Co., Ltd.

Note 2: As at 30 June 2021, in addition to the abovementioned 719,089,532 H shares of the Company which were registered under HKSCC Nominees Limited (see note 1 above), Shenzhen Capital Group held additional 350,000,000 A shares of the Company.

Note 3: As at 30 June 2021, in addition to the abovementioned 182,273,280 H shares of the Company which were registered under HKSCC Nominees Limited (see note 1 above), CITIC-Prudential Life Insurance Co., Ltd. held additional 19,733,298 A shares of the Company.

The top ten ordinary Shareholders and the top ten ordinary Shareholders without selling restrictions of the Company haven't conducted any agreed repurchase transactions during the Reporting Period.

Chapter IX Changes in Share Capital and Information on Substantial Shareholders

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

Applicable Not Applicable

V. CHANGE OF CONTROLLING SHAREHOLDERS OR 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.

VI. 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 2021, the persons other than a director, supervisor and chief executive of the Company who have interests or short positions in the shares or underlying shares of the Company according to record of the register of interests and short positions in shares 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 (%)
Shenzhen Capital Group (Note 1)	A shares	350,000,000 (L)	Interest of corporation controlled by the substantial shareholder	22.80%	9.74%
	H shares	719,089,532 (L)	Interest of corporation controlled by the substantial shareholder	34.91%	20.00%
China Merchants Group (Note 2)	H shares	880,429,220 (L)	Interest of corporation controlled by the substantial shareholder	42.74%	24.49%
	H shares	103,488,035 (S)	Interest of corporation controlled by the substantial shareholder	5.02%	2.88%
CITIC – Prudential Life Insurance Co., Ltd.	A shares	19,733,298 (L)	Beneficial holder	1.29%	0.55%
	H shares	182,273,280 (L)	Beneficial holder	8.85%	5.07%

(L) Long position (S) Short position

Note 1: Shenzhen Capital Group has an interest in A Shares of the Company, being 350,000,000 A Shares (L), and holds an interest in H Shares of the Company, being 719,089,532 H Shares (L) through its subsidiary Shenzhen Capital (Hong Kong), both of which are held in the capacity as interest of corporation controlled by the substantial shareholder.

Note 2: As at 30 June 2021, China Merchants Group Limited (招商局集團有限公司), through its subsidiaries (including China Merchants (CIMC) Investment Limited etc.), holds an interest in the H shares of the Company, and all the 880,429,220 H shares long position (L) and 103,488,035 H shares short position (S) are held in the capacity as interest of corporation controlled by the substantial shareholder. Among them, in the above long position (L), due to the issue of exchangeable bonds by the subsidiary of China Merchants Group Limited, 60,000,000 H shares of the Company were lent out. Regarding the abovementioned short position (S), Fine Perfection Investment Limited, the subsidiary of China Merchants Group Limited issued exchangeable bonds with part of the Company's Shares (being 103,488,035 H shares) as the transaction target, thus forming a short position.

Chapter IX Changes in Share Capital and Information on Substantial Shareholders

Save as disclosed above and so far as the directors are aware, as at 30 June 2021, no other person (other than a director, supervisor or chief executive of the Company) was required to record interests or short positions in the register of interests or short positions in shares required to be kept pursuant to Section 336 of the SFO of Hong Kong.

Information on Substantial Shareholders:

The Company has no controlling shareholder or actual controller, and there was no change during the Reporting Period. As of the end of the Reporting Period, the substantial shareholders of the Company are Shenzhen Capital Group and China Merchants Group.

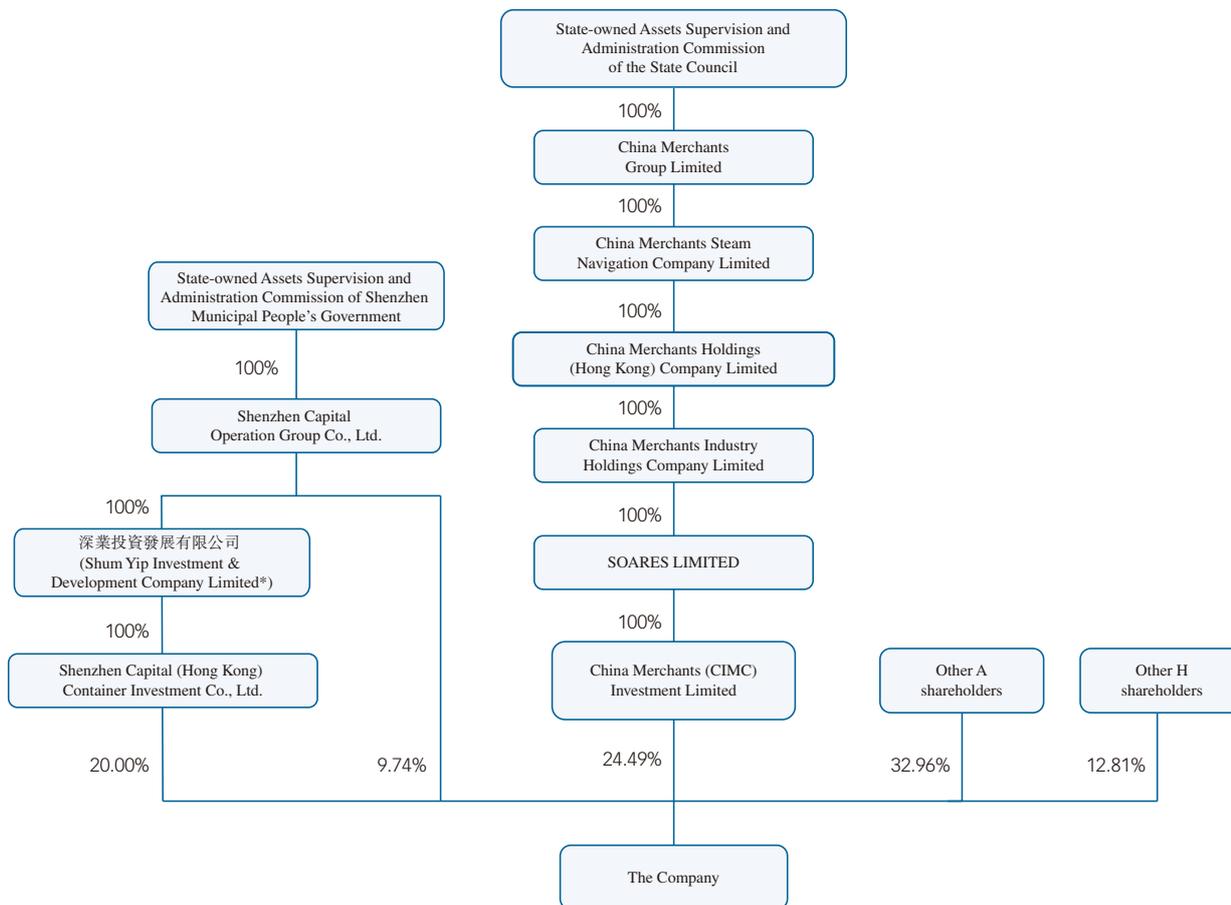
Shenzhen Capital Group was incorporated in the PRC in June 2007 with a registered capital of RMB14.62 billion and Mr. Hu Guobin as its legal representative. Shenzhen Capital Group is the only state-owned municipal capital operation company in Shenzhen and one of the five municipal enterprises in Shenzhen selected for the national "Double Hundred Action". With the reform and development of Shenzhen state-owned enterprises, Shenzhen Capital Group has explored a business model with capital operation as its core, established four major business segments, namely strategic research and merger and acquisition, equity investment, industrial fund and capital market investment, formed an investment and acquisition service system covering the whole life cycle of enterprises and a post-investment service empowerment system focusing on "capital management", and devoted itself to developing from a local state-owned capital operation platform in Shenzhen into a first-class market-oriented, professional and comprehensive state-owned capital operation integrated service provider in China. As at the end of the Reporting Period, Shenzhen Capital Group and its wholly-owned subsidiary, Shenzhen Capital (Hong Kong), held a total of 29.74% of the issued shares of the Company and was the largest shareholder of the Company.

China Merchants Group was incorporated in October 1986 in the PRC. Its registered capital is RMB16.9 billion and its chairman of the board of directors is Mr. Miao Jianmin. China Merchants Group's business focuses on three core industries, namely transportation (harbour, highway, shipping, logistics, ocean engineering and trade), finance (banking, securities, funds and insurance) and real estates (industrial park development and real estate development), and is transforming from these three core industries to three major platforms, namely industrial operations, financial services, investment and capital operations. On 9 June 2017, China Merchants Ports Holdings Company Limited, a subsidiary of China Merchants Group, completed the transaction of transferring all shares of Soares Limited to China Merchants Industry Holdings Company Limited, another subsidiary of China Merchants Group. As of 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 Company Limited, Soares Limited and China Merchants (CIMC) Investment Limited) held 24.49% of the issued shares of the Company and was the second largest shareholder of the Company.

Apart from above two entities, no other legal person or individual holds shares representing 10% or more of the total issued shares of the Company (excluding HKSCC Nominees Limited).

Chapter IX Changes in Share Capital and Information on Substantial Shareholders

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



Chapter IX Changes in Share Capital and Information on Substantial Shareholders

VII. 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.

VIII. 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.

IX. RELEVANT INFORMATION ABOUT PREFERRED SHARES

Applicable Not applicable

There were no preferred shares in the Company during the Reporting Period.

Chapter X Corporate Bonds

I. CORPORATE BONDS

Applicable Not Applicable

During the Reporting Period, there were no corporate bonds of the Company.

II. CORPORATION BONDS

Applicable Not Applicable

1. BASIC INFORMATION OF CORPORATION BONDS

Name of Bonds	Abbreviation of Bonds	Code of Bonds	Date of issuance	Value date	Maturity date	Balance of Bonds (RMB thousand)	Interest rate	Method to repay principal and pay interest	Trading places
China International Marine Containers (Group) Co., Ltd. on 2019 public offering of corporation bonds (tranche 1) for qualified investors	19 Haiji 01	112979.SZ	15 October 2019	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.	Shenzhen Stock Exchange
China International Marine Containers (Group) Co., Ltd. on 2018 public offering of renewable corporate bonds (tranche 1) for qualified investors	18 Haiji Y1	112808.SZ	3 December 2018	5 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.	Shenzhen Stock Exchange
Arrangement to ensure the suitability of investors (if any)	Only offered to qualified investors to participate in the transaction, transactions subscribed or bought by public investors are invalid.								
Applicable trading mechanism	On-exchange transaction								
Risk of delisting (if any) and countermeasures	No								
Lead underwriter	Lead underwriters of 19 Haiji 01 and 18 Haiji Y1 are CITIC Securities Co., Ltd. and CSC Financial Co., Ltd.								
Bond trustee	Bond trustee of 19 Haiji 01 and 18 Haiji Y1 are both CITIC Securities Co., Ltd.								

OVERDUE BONDS

Applicable Not Applicable

Chapter X Corporate Bonds

2. TRIGGERING AND ENFORCEMENT OF ISSUER OR INVESTOR OPTION ARTICLES AND INVESTOR PROTECTION PROVISIONS

Applicable Not Applicable

3. ADJUSTMENT OF CREDIT RATING RESULTS DURING THE REPORTING PERIOD

Applicable Not Applicable

4. IMPLEMENTATION AND CHANGES IN THE STATUS OF GUARANTEES, DEBT PAYMENT SCHEDULE AND OTHER DEBT REPAYMENT SAFEGUARD MEASURES DURING THE REPORTING PERIOD AND THE IMPACT ON THE INTERESTS OF BOND INVESTORS

Applicable Not Applicable

III. NON-FINANCIAL CORPORATE DEBT FINANCING INSTRUMENT

Applicable Not Applicable

Chapter X Corporate Bonds

1. BASIC INFORMATION OF NON-FINANCIAL CORPORATE DEBT FINANCING INSTRUMENT

Name of Bonds	Abbreviation of Bonds	Code of Bonds	Date of issuance	Value date	Maturity date	Balance of Bonds (RMB thousand)	Interest rate	Method to repay principal and pay interest	Trading places
2019 medium-term notes (MTN) second tranche of China International Marine Containers (Group) Co., Ltd.	19 Hai Yun Ji Zhuang MTN002	101901337.IB	8 October 2019	10 October 2019	10 October 2022	2,000,000	3.64%	The medium-term notes are payable annually and the principal is paid in a lump sum on the maturity date.	Shanghai Clearing House
2019 medium-term notes (MTN) first tranche of China International Marine Containers (Group) Co., Ltd.	19 Hai Yun Ji MTN001	101900529.IB	11 April 2019	15 April 2019	15 April 2022	2,000,000	4.05%	The medium-term notes are payable annually and the principal is paid in a lump sum on the maturity date.	Shanghai Clearing House
2018 medium-term notes (MTN) second tranche of China International Marine Containers (Group) Co., Ltd.	18 Hai Yun Ji Zhuang MTN002	101801217.IB	24 October 2018	26 October 2018	No fixed maturity date	2,000,000	5.17%	The interest of the Bonds is paid in installments annually if the Issuer does not exercise the right of deferred payment of interest. There is no definite principal repayment date for the bonds, and the issuer will repay the principal and all outstanding interest on the redemption date.	Shanghai Clearing House
2018 medium-term notes (MTN) first tranche of China International Marine Containers (Group) Co., Ltd.	18 Hai Yun Ji Zhuang MTN001	101801157.IB	15 October 2018	17 October 2018	17 October 2018	2,000,000	4.29%	The medium-term notes are payable annually and the principal is paid in a lump sum on the maturity date.	Shanghai Clearing House
Arrangement to ensure the suitability of investors (if any)	Offered to the investors by means of the public issue								
Applicable trading mechanism	On-exchange transaction								
Risk of delisting (if any) and countermeasures	No								

OVERDUE BONDS

Applicable Not Applicable

2. TRIGGERING AND ENFORCEMENT OF ISSUER OR INVESTOR OPTION ARTICLES AND INVESTOR PROTECTION PROVISIONS

Applicable Not Applicable

Chapter X Corporate Bonds

3. ADJUSTMENT OF CREDIT RATING RESULTS DURING THE REPORTING PERIOD

Applicable Not Applicable

4. IMPLEMENTATION AND CHANGES IN THE STATUS OF GUARANTEES, DEBT PAYMENT SCHEDULE AND OTHER DEBT REPAYMENT SAFEGUARD MEASURES DURING THE REPORTING PERIOD AND THE IMPACT ON THE INTERESTS OF BOND INVESTORS

Applicable Not Applicable

IV. CONVERTIBLE CORPORATE BONDS

Applicable Not Applicable

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

V. LOSS IN THE SCOPE OF THE CONSOLIDATED STATEMENTS DURING THE REPORTING PERIOD EXCEEDS 10% OF NET ASSETS AT THE END OF THE PREVIOUS YEAR

Applicable Not Applicable

VI. MAJOR ACCOUNTING DATA AND FINANCIAL INDEXES OF THE COMPANY FOR THE RECENT TWO YEARS AS AT THE END OF THE REPORTING PERIOD

Items	As of the end of the Reporting Period	As of the end of last year	Percentage of change
Current ratio	1.16	1.10	5.45%
Gearing ratio	63.66%	63.00%	0.66%
Quick ratio	0.86	0.85	1.18%

	During the Reporting Period	During the same period of last year	Percentage of change
Net profit after deducting non-recurring profit or loss (RMB thousand)	3,648,549	(236,265)	1644.26%
Debt-to-EBITDA ratio	0.20	0.07	185.71%
Interest coverage ratio	10.13	1.13	796.46%
Cash interest coverage ratio	10.95	2.91	276.29%
EBITDA interest coverage ratio	12.27	2.44	402.87%
Loan repayment ratio	100%	100%	0.00%
Interest repayment ratio	100%	100%	0.00%

Chapter XI 2021 Interim Financial Report (Unaudited)

Whether the interim report has been audited or not

Yes No

The 2021 Interim Financial Report of the Company has not been audited.

Chapter XI 2021 Interim Financial Report (Unaudited)

CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2021

(All amounts in RMB'000 unless otherwise stated)

	Note	30 Jun 2021	31 December 2020
ASSETS			
Current assets:			
Cash at bank and on hand	IV.1	13,152,813	12,181,415
Financial assets held for trading	IV.2	140,282	198,279
Derivative financial assets	IV.3	433,762	768,058
Notes receivables	IV.4	527,309	362,002
Accounts receivables	IV.5	26,439,819	18,635,765
Receivables financing	IV.6	1,137,820	1,544,177
Advances to suppliers	IV.8	4,164,684	3,334,613
Other receivables	IV.7	3,783,411	6,747,538
Inventories	IV.9	19,936,363	15,472,164
Contract assets	IV.10	2,815,009	2,383,663
Assets held for sale		75,657	50,832
Current portion of non-current assets	IV.11	4,147,195	4,149,537
Other current assets	IV.12	1,824,387	1,313,698
Total current assets		78,578,511	67,141,741
Non-current assets:			
Long-term receivables	IV.15	10,852,577	11,977,276
Long-term equity investments	IV.16	8,662,567	9,098,584
Other equity investments	IV.13	1,087,580	1,171,358
Other non-current financial assets	IV.14	161,115	102,490
Investment properties	IV.17	1,438,275	1,437,970
Fixed assets	IV.18	36,292,757	35,311,661
Construction in progress	IV.19	10,063,543	9,833,329
Intangible assets	IV.20	4,704,573	4,812,178
Right-of-use assets	IV.21	841,598	785,044
Development expenditures	IV.20	77,554	60,765
Goodwill	IV.22	2,272,416	2,177,426
Long-term prepaid expenses	IV.23	543,357	558,382
Deferred tax assets	IV.24	1,843,657	1,674,329
Other non-current assets	IV.25	15,713	68,978
Total non-current assets		78,857,282	79,069,770
TOTAL ASSETS		157,435,793	146,211,511

Chapter XI 2021 Interim Financial Report (Unaudited)

CONSOLIDATED BALANCE SHEET (CONTINUED)

AS AT 30 JUNE 2021

(All amounts in RMB'000 unless otherwise stated)

	Note	30 Jun 2021	31 December 2020
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Short-term borrowings	IV.28	8,942,241	8,416,701
Derivative financial liabilities	IV.3	616,790	747,781
Financial liabilities held for trading		20,485	20,000
Notes payables	IV.29	5,674,592	3,829,510
Accounts payables	IV.30	19,458,652	13,447,074
Advances from customers	IV.31	17,070	4,070
Contract liabilities	IV.32	6,575,419	6,101,765
Employee benefits payable	IV.33	3,952,527	3,366,392
Taxes payable	IV.34	2,181,873	1,483,209
Other payables	IV.35	8,334,358	7,089,596
Provisions	IV.36	1,448,508	1,392,845
Current portion of non-current liabilities	IV.37	10,431,951	14,585,373
Other current liabilities	IV.38	242,989	410,712
Total current liabilities		67,897,455	60,895,028
Non-current liabilities:			
Long-term borrowings	IV.39	22,445,501	19,562,326
Debentures payable	IV.40	4,104,811	6,089,486
Lease Liabilities	IV.41	644,718	617,794
Long-term payables		91,164	71,994
Deferred income	IV.42	1,112,287	1,177,661
Deferred tax liabilities	IV.24	3,889,496	3,882,302
Other non-current liabilities	IV.43	38,420	61,076
Total non-current liabilities		32,326,397	31,462,639
Total liabilities		100,223,852	92,357,667
Shareholders' equity:			
Share capital	IV.44	3,595,014	3,595,014
Other equity instruments	IV.45	4,107,745	4,308,042
Including: Perpetual bonds		4,107,745	4,308,042
Capital reserve	IV.46	5,460,275	5,463,205
Other comprehensive income	IV.47	812,928	920,769
Surplus reserve	IV.48	3,587,597	3,587,597
Undistributed profits	IV.49	29,333,430	26,142,889
Total equity attributable to shareholders and other equity holders of the Company		46,896,989	44,017,516
Minority interests		10,314,952	9,836,328
Total shareholders' equity		57,211,941	53,853,844
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		157,435,793	146,211,511

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

Legal representative's
authorised person:The person in charge of
accounting affairs:The head of the accounting
department:

Chapter XI 2021 Interim Financial Report (Unaudited)

BALANCE SHEET

AS AT 30 JUNE 2021

(All amounts in RMB'000 unless otherwise stated)

	Note	30 Jun 2021	31 December 2020
ASSETS			
Current assets:			
Cash at bank and on hand	XVI.1	2,429,477	913,332
Derivative financial assets	XVI.2	86,396	100,995
Notes receivables		–	–
Accounts receivables		218,558	138,810
Other receivables	XVI.3	27,876,522	26,634,674
Total current assets		30,610,953	27,787,811
Non-current assets:			
Other equity investments	XVI.4	639,582	621,535
Long-term equity investments	XVI.5	14,079,532	13,951,286
Investment properties		118,265	118,265
Fixed assets	XVI.6	120,887	127,818
Construction in progress		53,780	36,224
Intangible assets		102,815	108,757
Long-term prepaid expenses		1,520	5,129
Total non-current assets		15,116,381	14,969,014
TOTAL ASSETS		45,727,334	42,756,825

Chapter XI 2021 Interim Financial Report (Unaudited)

BALANCE SHEET (CONTINUED)

AS AT 30 JUNE 2021

(All amounts in RMB'000 unless otherwise stated)

	Note	30 Jun 2021	31 December 2020
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Short-term borrowings	XVI.7	400,406	3,255,949
Derivative financial liabilities	XVI.2	3,349	–
Employee benefits payable		120,184	59,346
Taxes payable	XVI.8	31,938	18,805
Other payables	XVI.9	3,051,278	1,259,633
Current portion of non-current liabilities	XVI.10	7,099,173	3,738,326
Total current liabilities		10,706,328	8,332,059
Non-current liabilities:			
Long-term borrowings	XVI.11	4,265,987	4,807,935
Debentures payable	XVI.12	4,104,811	6,089,486
Deferred income		8,392	10,500
Total non-current liabilities		8,379,190	10,907,921
Total liabilities		19,085,518	19,239,980
Shareholders' equity:			
Share capital	IV.44	3,595,014	3,595,014
Other equity instruments	IV.45	4,107,745	4,308,042
Including: Perpetual bonds		4,107,745	4,308,042
Capital reserve	XVI.13	2,831,352	2,831,352
Other comprehensive income	XVI.14	370,345	352,298
Surplus reserve	IV.48	3,587,597	3,587,597
Undistributed profits	XVI.15	12,149,763	8,842,542
Total shareholders' equity		26,641,816	23,516,845
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		45,727,334	42,756,825

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

Legal representative's
authorised person:

The person in charge of
accounting affairs:

The head of the accounting
department:

Chapter XI 2021 Interim Financial Report (Unaudited)

CONSOLIDATED INCOME STATEMENT

For the period from 1 January 2021 to 30 June 2021

(All amounts in RMB'000 unless otherwise stated)

Items	Note	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020
I. Revenue	IV.50	73,184,549	39,431,807
Less: Cost of sales	IV.50	61,041,954	34,366,232
Taxes and surcharges	IV.51	265,473	341,867
Selling and distribution expenses	IV.52	1,074,778	931,718
General and administrative expenses	IV.53	2,811,454	2,080,199
Research and development expenses	IV.54	935,346	589,085
Financial expenses	IV.55	826,403	674,273
Including: Interest expenses		716,122	891,761
Interest income		139,818	211,190
Asset impairment losses	IV.61	111,089	17,905
Credit losses	IV.62	157,053	91,208
Add: Other income	IV.60	251,849	358,619
Investment income	IV.58	681,913	118,283
Including: Share of (loss)/profit of associates and joint ventures		(97,261)	54,891
Fair value gains (losses)	IV.57	(125,914)	(337,487)
Gains on disposals of assets	IV.59	120,528	109,946
II. Operating profit		6,889,375	588,681
Add: Non-operating income	IV.63	56,763	83,485
Less: Non-operating expenses	IV.64	86,925	30,816
III. Profit before income tax		6,859,213	641,350
Less: Income tax expenses	IV.65	1,813,717	399,132
IV. Net profit		5,045,496	242,218
Classified by business continuity			
Net profit from continuing operations		5,045,496	242,218
Net profit from discontinued operations		-	-
Classified by ownership			
Owners of the Company		4,297,459	(182,797)
Non-controlling interests		748,037	425,015

Chapter XI 2021 Interim Financial Report (Unaudited)

CONSOLIDATED INCOME STATEMENT (CONTINUED)

For the period from 1 January 2021 to 30 June 2021

(All amounts in RMB'000 unless otherwise stated)

	Note	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020
V. Other comprehensive income, net of tax	IV.47	(138,910)	(122,442)
Attributable to shareholders and other equity holders of the Company		(107,841)	(138,652)
Items that will not be reclassified to profit or loss		(61,155)	(174,988)
Changes in value of other equity investments		(61,155)	(174,988)
Items that may be reclassified subsequently to profit or loss		(46,686)	36,336
Changes in value of other debt investments		–	5
Currency translation differences		(46,686)	36,331
Minority interests		(31,069)	16,210
VI. Total comprehensive income		4,906,586	119,776
Attributable to shareholders and other equity holders of the Company		4,189,618	(321,449)
Minority interests ¹		716,968	441,225
VII. Earnings per share			
Basic earnings per share (RMB)	IV.66	1.1673	(0.0841)
Diluted earnings per share (RMB)	IV.66	1.1670	(0.0841)

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

Legal representative's
authorised person:

The person in charge of
accounting affairs:

The head of the accounting
department:

Chapter XI 2021 Interim Financial Report (Unaudited)

INCOME STATEMENT

For the period from 1 January 2021 to 30 June 2021
(All amounts in RMB'000 unless otherwise stated)

Items	Note	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020
I. Revenue	XVI.16	216,129	88,254
Less: Cost of sales	XVI.16	3,097	–
Taxes and surcharges		3,257	3,139
General and administrative expenses	XVI.18	160,368	82,118
Research and development expenses	XVI.18	–	2,964
Financial income	XVI.17	434,894	260,767
Including: Interest expenses		351,469	418,562
Interest income		12,751	24,769
Asset impairment losses		93,295	–
Add: Other income		3,459	4,833
Investment Income	XVI.19	4,904,356	1,003,480
Fair value gains/(losses)		(17,948)	(1,027)
Gains/(Losses) of disposal of assets		(114)	300
II. Operating profit		4,410,971	746,852
Add: Non-operating income		3,168	–
III. Profit before income tax		4,414,139	746,852
Less: Income tax expenses	XVI.20	–	12,243
IV. Net profit		4,414,139	734,609
Classified by business continuity			
Net profit from continuing operations		4,414,139	734,609
Net profit from discontinued operations		–	–
V. Other comprehensive income, net of tax	XVI.14	18,047	(104,550)
Items that will not be reclassified to profit or loss		18,047	(104,550)
Changes in value of other equity investments		18,047	(104,550)
VI. Total comprehensive income		4,432,186	630,059

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

Legal representative's
authorised person:

The person in charge of
accounting affairs:

The head of the accounting
department:

Chapter XI 2021 Interim Financial Report (Unaudited)

CONSOLIDATED CASH FLOW STATEMENT

For the period from 1 January 2021 to 30 June 2021

(All amounts in RMB'000 unless otherwise stated)

Items	Note	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020
I. Cash flows from operating activities			
Cash received from sales of goods or rendering of services		62,553,333	38,923,567
Refund of taxes and surcharges		2,442,251	879,907
Cash received relating to other operating activities	IV.67(1)	4,150,716	625,741
Sub-total of cash inflows		69,146,300	40,429,215
Cash paid for goods and services		52,804,749	31,560,868
Cash paid to and on behalf of employees		5,665,534	4,107,621
Payments of taxes and surcharges		2,172,485	1,320,942
Cash paid relating to other operating activities	IV.67(2)	2,242,473	1,196,873
Sub-total of cash outflows		62,885,241	38,186,304
Net cash inflows from operating activities	IV.68(1)	6,261,059	2,242,911
II. Cash flows from investing activities			
Cash received from disposal of investments		150,264	101,169
Cash received from returns on investments		580,638	40,955
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		39,503	233,374
Net cash received from disposal of subsidiaries		18,823	67,969
Sub-total of cash inflows from investing activities		789,228	443,467
Cash paid to acquire fixed assets, intangible assets and other long-term assets		2,677,935	871,270
Cash paid to acquire investments		120,382	397,365
Net cash paid to acquire subsidiaries		540	37,431
Cash paid relating to other investing activities	IV.67(3)	1,000	23,273
Sub-total of cash outflows		2,799,857	1,329,339
Net cash outflows from investing activities		(2,010,629)	(885,872)

Chapter XI 2021 Interim Financial Report (Unaudited)

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

For the period from 1 January 2021 to 30 June 2021
(All amounts in RMB'000 unless otherwise stated)

	Note	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020
III. Cash flows from financing activities			
Cash received from capital contributions		209,887	137,054
Including: Cash received from capital contributions by minority shareholders of subsidiaries		209,887	124,517
Cash received from issuing perpetual bonds		–	2,000,000
Cash received from borrowings		8,866,892	28,737,111
Cash received relating to other financing activities	IV.67(4)	293,281	565,333
Sub-total of cash inflows		9,370,060	31,439,498
Cash repayments of borrowings		11,326,836	28,643,273
Cash payments for distribution of dividends or profits and interest expenses		877,865	2,023,921
Including: Cash payments for dividends or profit to minority shareholders of subsidiaries		32,360	290,596
Cash payments relating to other financing activities	IV.67(5)	367,997	210,974
Sub-total of cash outflows		12,572,698	30,878,168
Net cash (outflows)/inflows from financing activities		(3,202,638)	561,330
IV. Effect of foreign exchange rate changes on cash and cash equivalents		179,302	(42,907)
V. Net increase/(decrease) in cash and cash equivalents	IV.68(1)	1,227,094	1,875,462
Add: Cash and cash equivalents at the beginning of the year		11,210,240	8,659,885
VI. Cash and cash equivalents at the end of the period	IV.68(4)	12,437,334	10,535,347

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 2021 Interim Financial Report (Unaudited)

CASH FLOW STATEMENT

For the period from 1 January 2021 to 30 June 2021
(All amounts in RMB'000 unless otherwise stated)

Items	Note	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020
I. Cash flows from operating activities			
Cash received from sales of goods or rendering of services		146,434	323,282
Cash received relating to other operating activities		4,565,737	6,336,404
Sub-total of cash inflows		4,712,171	6,659,686
Cash paid to and on behalf of employees		143,044	103,083
Payments of taxes and surcharges		31,407	40,165
Cash paid relating to other operating activities		4,713,758	7,052,128
Sub-total of cash outflows		4,888,209	7,195,376
Net cash outflows from operating activities	XVI.21	(176,038)	(535,690)
II. Cash flows from investing activities			
Cash received from returns on investments		4,459,835	604,167
Net cash received from disposal of fixed assets		188	69
Sub-total of cash inflows		4,460,023	604,236
Cash paid to acquire fixed assets and other long-term assets		13,219	15,197
Net cash paid to establish subsidiaries		128,246	690,000
Sub-total of cash outflows		141,465	705,197
Net cash inflows from investing activities		4,318,558	(100,961)
III. Cash flows from financing activities			
Cash received from investment		-	12,537
Cash received from borrowings		1,400,000	12,805,444
Cash received from issuing bonds		-	2,000,000
Sub-total of cash inflows		1,400,000	14,817,981
Cash repayments of borrowings		3,493,048	12,605,895
Cash payments for distribution of dividends or profits and interest expenses		229,025	684,725
Cash payments relating to other financing activities		305,001	5,602
Sub-total of cash outflows		4,027,074	13,296,222
Net cash outflows from financing activities		(2,627,074)	1,521,759
IV. Effect of foreign exchange rate changes on cash and cash equivalents		(2,797)	23
V. Net increase in cash and cash equivalents	XVI.21	1,512,649	885,131
Add: Cash and cash equivalents at the beginning of the year		892,464	452,966
VI. Cash and cash equivalents at the end of the period	XVI.21	2,405,113	1,338,097

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

Legal representative's
authorised person:

The person in charge of
accounting affairs:

The head of the accounting
department:

Chapter XI 2021 Interim Financial Report (Unaudited)

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the period from 1 January 2021 to 30 June 2021
(All amounts in RMB'000 unless otherwise stated)

Items	2020														
	January to June 2021					2020									
	Attributable to shareholders and other equity holders of the Company					Attributable to shareholders and other equity holders of the Company									
Note	Share capital	Other equity instruments	Other comprehensive income	Surplus reserve	Undistributed profits	Minority interest	Total shareholders' equity	Share capital	Other equity instruments	Other comprehensive income	Surplus reserve	Undistributed profits	Minority interest	Total shareholders' equity	
I. Balance at 31 December 2020		3,995,014	4,308,042	5,463,205	920,769	3,587,597	2,614,289	2,614,289	3,587,597	4,308,042	5,463,205	920,769	3,587,597	2,614,289	15,784,992
Change in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Balance at 1 January 2021		3,995,014	4,308,042	5,463,205	920,769	3,587,597	2,614,289	3,584,504	4,007,545	4,881,311	3,582,343	2,142,857	3,582,343	2,142,857	15,784,992
III. Movements for the period															
(i) Total comprehensive income		-	101,014	-	-	4,196,445	-	-	273,979	-	-	-	-	5,075,634	6,011,740
1. Net profit	IV.47	-	-	-	(107,841)	-	-	-	-	(794,557)	-	-	-	(216,912)	6,011,740
2. Other comprehensive income		-	101,014	-	(107,841)	4,196,445	-	-	273,979	-	-	-	-	5,075,634	(216,912)
Sub-total of (i)		-	101,014	-	(107,841)	4,196,445	-	-	273,979	-	-	-	-	5,075,634	5,000,271
(ii) Capital contribution and withdrawal by owners															
1. Increase in capital reserve resulted from share option exercised by company	IV.44	-	-	-	-	-	-	10,510	-	73,122	-	-	-	-	83,632
2. Contributions by minority Shareholders		-	-	10,610	-	-	-	-	-	301,092	-	-	-	863,338	1,364,630
3. Increase in minority interests resulted from acquisition or establishment of subsidiary		-	-	-	-	-	-	-	-	-	-	-	-	97,262	97,262
4. Decrease in capital reserve resulted from acquisition of minority interest	IV.46	-	-	(23,447)	-	-	-	-	-	(103,943)	-	-	-	(576,145)	(680,088)
5. Disposal of subsidiaries (without loss of control)	IV.46	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Disposal of subsidiaries (loss of control)	IV.46	-	-	-	-	-	-	-	-	-	-	-	-	(6,961,178)	(6,961,178)
7. Increase in capital reserve resulted from share option exercised by subsidiary	IV.46	-	-	(2,251)	-	-	-	-	-	(763)	-	-	-	(2,009)	(2,772)
8. Increase in shareholders' equity resulted from share-based payments	IX.2	-	-	8,171	-	-	-	-	-	103,958	-	-	-	537	104,495
9. Repurchase right granted to minority Shareholders		-	-	-	-	-	-	-	-	-	-	-	-	-	-
10. Issuance of other equity instruments	IV.45	-	-	-	-	-	-	-	2,000,000	-	-	-	-	-	2,000,000
11. Redemption of other equity instruments	IV.45	-	(300,000)	-	-	-	-	(300,000)	(7,700,000)	-	-	-	-	(7,700,000)	(7,700,000)
12. Reverse of the repurchase right granted to minority Shareholders	IV.46	-	-	-	-	-	-	-	-	8,428	-	-	-	-	8,428
13. Increase in capital from capital reserve	IV.46	-	-	3,987	-	-	-	-	-	-	-	-	-	20,000	28,428
14. Others	IV.46	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Profit distribution															
1. Appropriation to surplus reserves	IV.48	-	-	-	-	-	-	-	-	-	5,254	-	-	(5,254)	-
2. Profit distribution to Shareholders	IV.49	-	-	-	-	-	(1,005,904)	-	-	-	-	-	-	(43,348)	(1,245,332)
3. Interest paid on other equity instruments	IV.45	-	(1,311)	-	-	-	-	-	(273,482)	-	-	-	-	(814,584)	(273,482)
IV. Balance at 30 Jun 2021		3,995,014	4,107,745	5,460,275	812,728	3,587,597	29,333,430	3,595,014	4,308,042	5,463,205	920,769	3,587,597	25,142,889	9,836,328	53,853,844

The accompanying notes form an integral part of these financial statements

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

The head of the accounting department:

Chapter XI 2021 Interim Financial Report (Unaudited)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the period from 1 January 2021 to 30 June 2021
(All amounts in RMB'000 unless otherwise stated)

Items	January to June 2021							2020							
	Note	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 2020		3,595,014	4,308,042	2,831,352	352,298	3,587,597	8,842,542	23,516,845	3,584,504	4,007,545	2,758,230	470,500	3,582,343	6,991,814	21,394,936
Change in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Balance at 1 January 2021		3,595,014	4,308,042	2,831,352	352,298	3,587,597	8,842,542	23,516,845	3,584,504	4,007,545	2,758,230	470,500	3,582,343	6,991,814	21,394,936
III. Movements for the period															
(i) Total comprehensive income															
1. Net profit		-	101,014	-	-	-	4,313,125	4,414,139	-	273,979	-	-	-	2,286,330	2,560,309
2. Other comprehensive income	XVI.14	-	-	-	18,047	-	-	18,047	-	-	-	(118,202)	-	-	(118,202)
Sub-total of 182		-	101,014	-	18,047	-	4,313,125	4,432,186	-	273,979	-	(118,202)	-	2,286,330	2,442,107
(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.44	-	-	-	-	-	-	-	10,510	-	73,122	-	-	-	83,632
3. Issuance of other equity instruments	IV.45	-	-	-	-	-	-	-	-	2,000,000	-	-	-	-	2,000,000
4. Redemption of other equity instruments	IV.45	-	-	(300,000)	-	-	-	(300,000)	-	(1,700,000)	-	-	-	-	(1,700,000)
5. Increase in capital from capital reserve		-	-	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Profit distribution															
1. Appropriation to surplus reserves	IV.48	-	-	-	-	-	-	-	-	-	-	-	5,254	(5,254)	-
2. Profit distribution to shareholders	IV.49	-	-	-	-	-	(1,005,904)	(1,005,904)	-	-	-	-	-	(430,348)	(430,348)
3. Interest paid on other equity instruments	IV.45	-	(1,311)	-	-	-	-	(1,311)	-	(273,482)	-	-	-	-	(273,482)
IV. Balance at 30 Jun 2021		3,595,014	4,107,745	2,831,352	370,345	3,587,597	12,149,763	26,641,816	3,595,014	4,308,042	2,831,352	352,298	3,587,597	8,842,542	23,516,845

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

Legal representative's authorised person:

The person in charge of accounting affairs:

The head of the accounting department:

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021
(All amounts in RMB'000 unless otherwise stated)

I. GENERAL INFORMATION

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

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

On 12 October 2020, the company's shareholder COSCO Shipping Development Co., Ltd. and its subsidiaries signed a share transfer agreement with Shenzhen Capital Operation Group Co., Ltd. and its subsidiaries. On 18 December 2020, the share transfer was completed. Shenzhen Capital Operation Group Co., Ltd. and its subsidiaries held 29.74% of the company's equity and became the company's largest shareholder.

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 (design, procurement and construction supervision) technical service for the storage and processing of LNG, LPG and other petrochemical gases; providing a comprehensive solution for the integration of unitized logistics vehicles and packages. Apart from the above, the Group is also engaged in financial equity investment, logistics services and offshore engineering business. On 26 October 2020, the Company lost control of companies in the real estate business segment.

CIMC Enric Holdings Limited ("Enric"), the subsidiary of the Group, is listed in the Main Board of The Hong Kong Stock Exchange Limited. 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 primarily engaged in 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. In January 2021, CIMC TianDa completed the delisting of the Hong Kong Stock Exchange.

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021
(All amounts in RMB'000 unless otherwise stated)

I. GENERAL INFORMATION (CONTINUED)

CIMC Vehicles (Group) Co., Ltd. ("CIMC Vehicles"), the subsidiary of the Group, is listed in the Main Board of The Hong Kong Stock Exchange Limited and is officially listed on the Shenzhen Stock Exchange's ChiNext board in 8 July 2021. 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 products mainly include dump beds for dump trucks, mixers for mixer trucks and other truck bodies for specialty vehicles.

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 2021.

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, amortization policy of intangible assets and depreciation policy of right-of-use assets (Note II.14,17 and 27), measurement of provisions (Note II.21), measurement model of investment real estate (Note II.13) and revenue recognition and measurement (Note II.23), etc.

The key judgments, important accounting estimates and key assumptions adopted by the Group when applying important accounting policies are disclosed in Note II. 33.

1. Basis of preparation

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

The financial statements are prepared on a going concern basis.

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

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

The financial statements of the Company for the period from 1 January 2021 to 30 June 2021 are in compliance with the Accounting Standards for Business Enterprises, and truly and completely present the financial position of the consolidated group and the Company as at 30 June 2021 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 from 1 January 2021 to 30 June 2021
(All amounts in RMB'000 unless otherwise stated)

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 currencies other than the 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 (refer to Note II.8) when preparing the consolidated financial statements.

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 the Group acquires in the process of business combination 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 ultimate controlling party from a third party in previous years, the assets and liabilities of the company (including the goodwill formed by the acquisition by the ultimate controlling party) are included in the consolidated financial statements of the ultimate controlling party and are based on the 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 share premium (or capital premium) in the capital reserve. If the balance of share premium (or capital premium) in the capital reserve 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 incurred. Transaction associated with the issue of equity or debt securities for the business combination are included in the initially recognised amounts of the equity or debt securities. The combination date is the date on which one combining enterprise effectively obtains control of the other combining enterprises.

(2) Business combinations involving enterprises not under common control

A business combination involving enterprises not under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties both before and after the business combination. Where 1) the aggregate of the fair value at the acquisition date of assets transferred (including the acquirer's previously held equity interest in the acquiree), liabilities incurred or assumed, and equity securities issued by the acquirer, in exchange for control of the acquiree, exceeds 2) the acquirer's interest in the fair value at the acquisition date of the acquiree's identifiable net assets, the difference is 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 in profit or loss for the current period when incurred. The difference between the fair value and the carrying amount of the assets transferred is recognized in profit or loss for the current period. 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 from 1 January 2021 to 30 June 2021
(All amounts in RMB'000 unless otherwise stated)

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. Net profit achieved by the subsidiary to be consolidated before the date of combination is presented as a separate item in the consolidated income statement.

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 acquisition date, based 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.

The difference between the costs of long-term investments newly acquired by the Company by acquiring minority interests and the Company's share of the net identifiable assets of its subsidiaries calculated based on the increased shareholding, and the difference between the proceeds the Company obtained from partial disposal of its equity investments in its subsidiaries without ceasing control over the subsidiaries and its share of the net assets of the subsidiaries that corresponds to the disposed long-term equity investments, shall both be recognized as adjustments to the share premium or (capital premium) of the capital reserve. If the credit balance of share premium (or capital premium) of the capital reserve is insufficient, the 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 or other events, 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.

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021
(All amounts in RMB'000 unless otherwise stated)

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

6. Preparation of consolidated financial statements (Continued)

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.

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 and total comprehensive income attributable to minority interests presented separately in the consolidated financial statements within equity, net profit and total comprehensive income respectively. If the current loss shared by the minority shareholders of a subsidiary exceeds the minority shareholders' share of the opening balance of owners' equity of the subsidiary, the balance shall be offset against the minority shareholders' equity. 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 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.

A transaction will be adjusted from the perspective of the Group in condition that recognitions of the same transaction are different when the accounting entity is the Group and the accounting entity is the Company or a subsidiary.

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, which is the weighted average exchange rate that approximates the spot exchange rate at the date of the transaction.

NOTES TO THE FINANCIAL STATEMENTS

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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)

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 is presented separately in the cash flow statement.

In translating the financial statements of foreign operations, asset and liability items in the balance sheet are translated at the spot exchange rates at the balance sheet date. The equity items, excluding "Undistributed profits", are translated at the spot exchange rates at the dates when they are incurred. Income and expense items in the income statement are translated at the rates that approximate the spot exchange rates at the transaction dates. Differences from the aforesaid translation of financial statements denominated in foreign currencies are presented under the equity item in the balance sheet. Upon disposal of a foreign operation, differences from the translation of relevant financial statements are transferred from equity to profit or loss for the current period. The cash flow items of a foreign operation are translated at the spot exchange rates on the dates of the cash flows. The effect of exchange rate changes on cash is 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").

Financial assets are measured at fair value at initial recognition. For financial assets at FVPL, the relevant direct transaction costs are recognized in profit or loss for the current period; for other financial assets, the relevant transaction costs are included in the initially recognized amount. For accounts receivable and notes receivable arising from the sale of products or the provision of labor services that do not contain or consider significant financing components, the Group takes the consideration to be received as the initially recognized amount.

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021
(All amounts in RMB'000 unless otherwise stated)

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 other comprehensive income, are measured at fair value through profit or loss. 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, and the rest will be presented as financial assets held for trading.

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For the period from 1 January 2021 to 30 June 2021
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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 other comprehensive income, 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.

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021
(All amounts in RMB'000 unless otherwise stated)

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 after impairment provisions 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 lifetime expected credit losses. 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.

When a single financial asset cannot evaluate expected credit loss information at a reasonable cost, the Group divides accounts receivable, notes receivable, and contract assets into several combinations based on the same credit risk characteristics and overdue days, and calculates the expected credit loss on the basis of the combination. 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 Portfolio	Banks with lower credit risk
Commercial Acceptance Bill Portfolio	A legal person who opens an account with a commercial bank
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 facilities and logistics, fire safety and rescue business
Accounts Receivables Portfolio 6	Heavy truck business
Accounts Receivables Portfolio 7	Logistics services business
Accounts Receivables Portfolio 8	Recycled load business
Accounts Receivables Portfolio 9	Other business
Contract Assets Portfolio 1	Airport facilities and logistics, fire safety and rescue business

For the accounts 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 and basing on the default risk exposure and the lifetime expected credit loss rate.

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021
(All amounts in RMB'000 unless otherwise stated)

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

9. Financial instruments (Continued)

(1) Financial Assets (Continued)

(b) Impairment (Continued)

For other receivables and long-term receivables classified into portfolios, the Group adopts a three-stage model. The model refers to historical credit loss experience, considers current conditions and forecasts of future economic conditions, and calculates expected credit losses based on the default risk exposure and the expected credit loss rate within the next 12 months or the entire duration. Among them, for lease receivables included in long-term receivables, models and assumptions are used in the measurement of expected credit losses, including expectations of future economic conditions and the credit status of the lessee (the possibility of customer default and corresponding losses). The basis for determining the combination is as follows:

Receivable Portfolio	Nature
Other Receivables Portfolio 1	Receivables arising from financing for related parities
Other Receivables Portfolio 2	Receivables from share capital increase/transfer
Other Receivables Portfolio 3	Loans
Other Receivables Portfolio 4	Assets purchased under reverse repurchase agreements
Other Receivables Portfolio 5	Security deposit
Other Receivables Portfolio 6	Receivables from demolition compensation
Other Receivables Portfolio 7	Tax refund receivables
Other Receivables Portfolio 8	Government grants receivables
Other Receivables Portfolio 9	Interest receivables
Other Receivables Portfolio 10	Dividend receivables
Other Receivables Portfolio 11	Inter-bank borrowings of Finance Company
Other Receivables Portfolio 12	Others
Long-term Receivables Portfolio 1	Lease receivables (customers are all manufacturing industries) (including the part due within one year)
Long-term Receivables Portfolio 2	Installment sales (including the part due within one year)

The Group recognizes the loss provision or provision reversal in current profit or loss. For debt instruments held at fair value through other comprehensive income, the Group adjusts other comprehensive income when the impairment loss or gain 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 determined in accordance with the standard after the initial recognition and the initial recognition amount respectively, and finalize the measurement with the higher value of the two.

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021
(All amounts in RMB'000 unless otherwise stated)

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

9. Financial instruments (Continued)

(1) Financial Assets (Continued)

(c) *Derecognition*

A financial asset is derecognized when any of the below criteria is met: (1) the contractual rights to receive the cash flows from the financial asset expire; (2) the financial asset has been transferred and the Group transfers substantially all the risks and rewards of ownership of the financial asset to the transferee; or (3) the financial asset has been transferred and the Group has not retained control of the financial asset, although the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset.

On derecognition of other equity instrument investments, the difference between the carrying amount and the sum of the consideration received and the cumulative changes in fair value that had been recognized directly in other comprehensive income, is recognized in retained earnings. On derecognition of other financial assets, the difference between the carrying amount and the sum of the consideration received and the cumulative changes in fair value that had been recognized directly in other comprehensive income, 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021
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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (Continued)

(3) Fair value determination of financial instruments

The fair value of a financial instrument that is traded in an active market is determined at the quoted price in the active market. The fair value of a financial instrument that is not traded in an active market is determined by using an appropriate valuation technique that is applicable to current circumstances and supported by sufficient available data and other information. Inputs that are consistent with the characteristics of assets and liabilities considered by market participants in transactions of relevant assets and liabilities would be adopted, 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.

Perpetual bonds, issued by the Group and classified as equity instruments, do not include contractual obligations to deliver cash or other financial assets to other parties, or exchange financial assets or financial liabilities with other parties under potentially unfavorable conditions. And there is no arrangement that requires or can be settled with the Group's own equity instruments.

Other equity instruments issued by the Group are recognized at the consideration actually received deducting 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 paid for repurchasing the Group's equity instruments 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 or agreed 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, products in progress, finished products and stocks, commissioned processing materials, spare parts, real estate products, marine engineering projects, 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, which includes all purchase costs, processing costs, and other costs before the inventory is shipped to the destination and reached the status quo. The cost of inventory and work-in-progress includes raw materials, direct labor, and manufacturing expenses allocated in a systematic way under normal production capacity.

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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 joint arrangements the Group achieves as an independent entity, in which the Group is able to exercise joint control together with other parties and enjoys the right only on the net asset based on legal forms, the terms of contracts and other facts and circumstances. 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 involving enterprises under common control, the investment cost shall be the ultimate controlling party's share of the carrying amount of owners' equity of the party being absorbed at the combination date included in the consolidated financial statements; 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. 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 are satisfied, the Group continues recognizing the investment losses to be borne. For changes in owners' equity of the investee other than those arising from net profit or loss, other comprehensive income and profit distribution, the carrying amount of long-term equity investments are adjusted and included in the capital reserve. 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 control, 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 and would be transferred into the current profit and loss when the investment real estate is disposed of.

An investment property is derecognized on disposal or when the investment property 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 Recognition of Initial Cost.

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 conditions to recognize fixed assets criteria are satisfied, and the carrying amount of the replaced part is derecognized. The costs of the day-to-day maintenance 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	2-30	10%	3-45%
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 on disposal or when no future economic benefits are expected from its use or disposal. The amount of proceeds from disposal, 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 fixed 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 fixed asset is transferred to fixed asset when it is ready for its intended use, and depreciation is provided from the next month, before which the asset is presented in construction in progress without any depreciation provided. At the end of the year, construction in progress is stated in the balance sheet at cost less impairment loss provision (refer to 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 period when they are 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 profit or loss for the current period.

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 capital expenditures and 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:

Items	Amortization periods
Land use rights	20 years – 50 years
Maritime space use rights	40 years – 50 years
Technological know-how and trademarks	3 years – 15 years
Customer relationships	2 years – 10 years
Customer contracts	9 months – 4 years
Franchise rights	10 years – 30 years

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 of production technologies, is capitalised only if all of the following conditions are satisfied:

- The development of production technologies has been fully demonstrated by the technical team;
- The management has approved the budget for the development of production technologies;
- Research and analysis of previous market research indicates that the products produced by the production technologies have marketing capabilities;
- Adequate technical and financial supports are available for the development of the production technologies and subsequent mass production; and
- Expenditures on the development of production technologies can be reliably collected.

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 in profit or loss 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) in the balance sheet at the end of the year. On disposal of an asset group or combination of asset groups, goodwill is transferred to profit or loss for the current period.

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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:

Items	Amortization periods (years)
Mobilization cost of drilling platform	3-5
Improvement expenditure of fixed assets under operating lease	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. Intangible assets that are not ready for the intended use are tested for impairment at least annually, irrespective of whether there is any indication that they may be impaired. If the result of the impairment test shows that the recoverable amount of the asset is lower than its book value, the impairment provision shall be made based on the difference and included in the asset impairment loss. 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, the portion of value that may be recovered cannot be 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 carrying amount of the provision arising from the discounting in the 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 provisions.

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.

The fair value of restricted stock is estimated based on the stock price of the listed company.

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

22. Share-based payments (Continued)

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

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

For restricted incentive stocks granted, during the vesting period, the Group revises the estimated number of restricted incentive shares that it expects to ultimately vest based on the vesting conditions at the end of each reporting period. If any adjustment is required to the accumulated fair value that has been recorded and confirmed in the previous year, it shall be included in the current year's share-based employee compensation expenditure/deducted from this item, and the share-based employee compensation reserve shall be adjusted accordingly. The shares held by the trust of the Group are disclosed as holding shares under the stock incentive plan and are deducted from equity.

(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 on the number of equity instruments to be vested according to the latest information of the number of employees who are granted 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 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.

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

23. Revenue recognition (Continued)

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.

If one of the following conditions is met, the obligation performance will be fulfilled over time, otherwise, it will be fulfilled at a point of time:

- (1) The customer obtains and consumes the economic benefits brought by the performance of the Group while the Group is performing the obligation.
- (2) Customers are able to control the goods under construction in the course of performing obligations by the Group.
- (3) The goods produced in the course of performing obligations by the Group have irreplaceable uses, and over the entire contract period, the Group has the right to receive payments for the portion of the performance that has been 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, except for the performance progress that cannot be reasonably measured.

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.

For the performance obligation fulfilled at a point of time, the Group should recognize the revenue at the point of time when the customer obtains the control of the relevant goods.

(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.

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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)

(c) *Airport facilities sales revenue*

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

(d) *Real estate sales revenue*

Real estate sales revenue is recognized when the sale and purchase agreement is completed and the real estate is delivered. 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.36). 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 as at the balance sheet date as a percentage of total estimated costs for each contract.

The Group expects that there is no situation in which the performance of the engineering project contract will cause the payment period of the end customer to exceed 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 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.

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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)

The Group provides external freight forwarding services, and its 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.

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 accounts receivable and contract assets (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 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, they are recognized as other non-current assets at the amount net of relevant impairment losses.

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, post-employment benefits and termination 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. 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) Post-employment benefits

The Group classifies post-employment benefit plans into defined contribution plans and defined benefit plans. A defined contribution plan is a post-employment benefit plan that no longer assumes further payment obligations after the Group pays a fixed fee to an independent fund; a defined benefit plan is a post-employment benefit plan other than the defined contribution plan. During the Reporting Period, the Group's Post-employment 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) Termination benefits

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 when the Group is unable to unilaterally withdraw the plan on the termination of employment relationship or the layoff proposal and when costs and expenses in relation to the payment of compensation to the termination of employment relationship are recognized, which is earlier.

The termination benefits with payment within one year from 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 formed in other ways. Government grants related to income represent those government grants other than related to assets.

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

25. Government grants (Continued)

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.

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 in the period when the costs or losses are recognized; 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 and their tax bases, which include the deductible losses and tax credits to be carried 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 deductible 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 and presented on a net basis if all the following conditions are met:

- the Group has a legal right to settle current tax assets and liabilities on a net basis;
- deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax assets and liabilities on a net basis or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be reversed.

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, land use rights, 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 Lessee (Continued)

When the lease contract changes and the following conditions are met at the same time, the Group should treat it as a separate lease for accounting treatment: (1) The new lease contract expands the scope of the leasing by adding one or more rights to use the leased asset; (2) The increased consideration is equivalent to the amount of the individual price of the expanded part of the lease scope adjusted according to the contract conditions.

When the lease change is not accounted for as a separate lease, the Group will re-determine the lease term on the effective date of the lease change, except for the simplified method for contract changes directly caused by the coronavirus disease pneumonia epidemic. In addition, the revised discount rate is used to discount the changed lease payment and remeasure the lease liability. If the lease change causes the scope of the lease to be narrowed or the lease term is shortened, the Group will correspondingly reduce the book value of the right-of-use asset, and the relevant gains or losses from the partial or complete termination of the lease are included in the current profit and loss. If other lease changes cause the lease liability to be remeasured, the Group will adjust the book value of the right-of-use asset accordingly.

For rent reduction or exemption directly caused by the coronavirus disease pneumonia epidemic and only for rent before 30 June 2021, the Group chose to adopt a simplified method, that when an agreement is reached to relieve the original payment obligation, the undiscounted amount of deduction will be included in the current profit and loss, and the corresponding lease liability will be adjusted at the same time.

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.

When the lease contract changes, the Group will regard it as a new lease from the effective date of the change, and treat the advance or receivable lease payments related to the lease before the change as the new lease payment.

(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.

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

28. Held for sale and discontinued operations

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

Non-current assets (except for financial assets, investment properties measured at fair value and deferred tax assets) that meet the recognition criteria for held for sale are 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.

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;

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

30. Related parties (Continued)

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

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

32. Significant changes in accounting policies

In 2020, the Ministry of Finance issued 'Questions and Answers on the Implementation of Accounting Standards for Business Enterprises' (issued on 11 December 2020). The Group has adopted the above implementation Q&A to prepare the financial statements for the period ended 30 June 2021. The impact on the Group and the company's financial statements are as follows:

The nature and the reasons of the changes in accounting policies	The line items affected	The amounts affected For the Period from 1 January to 30 June 2020	
		The Group	The Company
The Group and the Company reclassified the contract asset impairment loss that was originally included in the credit impairment loss item to the asset impairment loss item.	Credit losses	(1,065)	–
	Asset impairment losses	1,065	–

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.22, 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.

(2) Impairment of long-term assets

As described in Note II.20, long-term assets (including goodwill, fixed assets, construction in progress, long-term equity investments, intangible assets and right-of-use assets) 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.

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

33. Critical accounting estimates and judgements (Continued)

(2) Impairment of long-term assets (Continued)

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 estimating the present value of future cash flows, significant judgements are exercised over the asset's production, selling price, gross profit margin, related operating expenses and discounting rate to calculate the present value. All relevant materials which can be obtained are used for estimation of the recoverable amount, including the estimation of the production, selling price and related operating expenses based on reasonable and supportable assumption.

Due to the outbreak of the coronavirus disease and related prevention and control measures, the business of the Group's overseas subsidiaries has been affected to a certain extent. When the Group conducts long-term asset impairment tests, the higher of the net value of fair value minus disposal expenses and the present value of expected future cash flows is used to determine its recoverable amount. Due to the uncertainty in the development and prevention and control of the coronavirus disease, there are also uncertainties in the growth rate, gross profit margin and pre-tax discount rate used in the calculation of the present value of expected future cash flows.

If the management revises the growth rate used in the calculation of the future cash flow of the asset group and the asset group combination, and the revised growth rate is lower than the currently adopted growth rate, the Group needs to increase the provision for impairment of long-term assets.

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 growth rate and gross profit rate or actual pre-tax discount rate is higher or lower than management's estimate, the Group cannot reverse the long-term asset impairment losses that have been previously accrued.

(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.

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

33. Critical accounting estimates and judgements (Continued)

(4) Depreciation and amortization of assets such as fixed assets and intangible assets

As described in Note II.14 and 17, fixed assets, intangible assets and other 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.36, 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) Completion progress of the 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 contract cost incurred actually and cumulatively to the estimated total contract cost or 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. Therefore, amounts disclosed in the financial statements exclude the profit the Group may achieve in the future before the contract is completed substantially. In addition, at the balance sheet date, actual total contract revenue and total contract cost may be higher or lower than the estimated total contract revenue and total contract cost and any change of estimated total contract revenue and total contract cost may have financial impact on future profit or loss.

(7) Income taxes and deferred 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.

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

33. Critical accounting estimates and judgements (Continued)

(7) Income taxes and deferred income taxes (Continued)

As stated in Note III(2), some of the subsidiaries of the Group are high-tech enterprises. The validity period of the high-tech enterprise qualification is three years. After the expiration, the application for high-tech enterprise certification must be resubmitted to the relevant government department. Based on the historical experience of re-certification after the expiration of high-tech enterprises in previous years and the actual situation of these subsidiaries, the Group believes that these subsidiaries can continue to obtain high-tech enterprise certification in the coming years, and then calculate their corresponding deferred income tax at a preferential tax rate of 15%. If in the future some subsidiaries fail to obtain re-certification after the expiration of the high-tech enterprise qualification, the income tax will be calculated at the statutory tax rate of 25%, which will affect the confirmed deferred income tax assets, deferred income tax liabilities and income tax expenses.

For the deductible losses that can be carried forward in subsequent years, the Group shall recognize the corresponding deferred income tax assets within the limit of the taxable income that is likely to be used to deduct the deductible losses in the future period. The taxable income obtained in the future period includes the taxable income that the Group can realize through normal production and operation activities, and the taxable income that will increase when the taxable temporary difference generated in the previous period is reversed in the future period. The Group needs to use estimates and judgments when determining the time and amount of taxable income in the future. If there is a difference between the actual situation and the estimate, it may lead to adjustments to the book value of deferred income tax assets.

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 or the price quoted by the independent third-party buyer. To assess the fair value of investment properties, as stated in Note XIV.6, several significant judgments and assumptions are used.

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III. TAXATION

1. Main taxes categories and rates

Types of tax	Tax basis	Tax rate
Value added tax (VAT) (a)	The output VAT calculated based on taxable income from sales of goods and rendering of service, after subtracting the deductible input VAT of the period, is VAT payable	6%, 9% and 13%
Urban maintenance and construction tax	VAT payable	7%
Income tax	Taxable income	Note 1
The Netherlands/Australia service tax rate	Calculated based on revenue arising from sales of goods and rendering of service, less deductible or refundable taxes for purchase of goods	10%–19%

- (a) Pursuant to the Circular on Relevant Policies for Deepening the Value-Added Tax Reform (Circular of the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs [2019] No. 39) issued by the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs and the relevant regulations, as from 1 April 2019, subsidiaries of the Company which operate VAT taxable sales or related businesses of imported goods and financial leasing and operating leasing of real estate have adjusted the original tax rate of 16% to 13%. The businesses of transportation services and real estate leasing services have adjusted the original tax rate of 10% to 9%. The VAT rates of modern service industries (including logistics service and logistics support service), container yard services and financial services are still applicable to 6%, which is not within the scope of this adjustment.

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

	2021	2020
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	20.60%	21.4%
Subsidiaries registered in Cayman Islands	–	–
Subsidiaries registered in Malaysia	24%	24%
Subsidiaries registered in Luxembourg	24.94%	24.94%

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021
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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
		2021	2020	
Nantong CIMC Special Transportation Equipment Manufacture Co., Ltd.	25%	15%	15%	High-tech enterprises
Xinhui CIMC Special Transportation Equipment Co., Ltd.	25%	15%	15%	High-tech enterprises
Yangzhou Tonglee Reefer Container Co., Ltd.	25%	15%	15%	High-tech enterprises
CIMC Taicang Refrigeration Equipment Logistics Co., Ltd.	25%	15%	15%	High-tech enterprises
Qingdao CIMC Special Reefer Co., Ltd. (QDCSR)	25%	15%	15%	High-tech enterprises
Beijing CIMC Intelligent Cold Technology Co., Ltd.	25%	15%	15%	High-tech enterprises
Beijing Jingxin XiangNeng Technology Co., Ltd. (Beijing Jingxin XiangNeng)	25%	15%	15%	High-tech enterprises
CIMC Cold Cloud (Beijing) Supply Chain Management Co., Ltd.	25%	15%	15%	High-tech enterprises
Hunan CIMC New Material Technology Co., Ltd.	25%	15%	25%	High-tech enterprises
CIMC Vehicles (Liaoning) Co., Ltd.	25%	15%	15%	High-tech enterprises
Wuhu CIMC Ruijiang Automobile Co., Ltd.	25%	15%	15%	High-tech enterprises
Shenzhen CIMC Special Vehicle Co., Ltd.	25%	15%	15%	High-tech enterprises
Zhumadian CIMC Huajun Vehicle Trading Co., Ltd.	25%	15%	15%	High-tech enterprises
Gansu CIMC Huajun Vehicle Co., Ltd.	25%	15%	15%	High-tech enterprises
Yangzhou CIMC Tong Hua Special Vehicles Co., Ltd. (YZTH)	25%	15%	15%	High-tech enterprises
Dongguan CIMC Special Vehicle Co., Ltd.	25%	15%	15%	High-tech enterprises
Zhumadian CIMC Huajun Vehicle Trading Co., Ltd.	25%	15%	15%	High-tech enterprises
Shandong Master Special Purpose Vehicle Manufacturing Co., Ltd.	25%	15%	15%	High-tech enterprises
CIMC Vehicles (Shandong) Co., Ltd.	25%	15%	15%	High-tech enterprises
Luoyang CIMC Lingyu Automobile Co., Ltd.	25%	15%	15%	High-tech enterprises
CIMC Vehicles (Jiangmen) Co., Ltd.	25%	15%	15%	High-tech enterprises
Jiangsu Baojing Auto Parts Co., Ltd.	25%	15%	15%	High-tech enterprises

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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
		2021	2020	
Zhangjiagang CIMC Sanctum Cryogenic Equipment Machinery Co., Ltd.	25%	15%	15%	High-tech enterprises
Enric (Bengbu) Compressor Co., Ltd.	25%	15%	15%	High-tech enterprises
Shijiazhuang Enric Gas Equipment Co., Ltd.	25%	15%	15%	High-tech enterprises
Enric (Langfang) Energy Equipment Integration Co., Ltd.	25%	15%	15%	High-tech enterprises
Jingmen Hongtu Special Aircraft Manufacturing Co., Ltd.	25%	15%	15%	High-tech enterprises
CIMC Safeway Technologies Co., Ltd. ("CIMC Safe Tech")	25%	15%	15%	High-tech enterprises
Liaoning CIMC Hashenleng Gas Liquefaction Plant Co., Ltd.	25%	15%	15%	High-tech enterprises
Nantong CIMC Energy Equipment Co, Ltd.	25%	15%	15%	High-tech enterprises
Enric (Nantong) CIMC Food Equipment Co., Ltd.	25%	15%	15%	High-tech enterprises
Nantong CIMC Pacific Ocean Engineering Co., Ltd.	25%	15%	15%	High-tech enterprises
Anjieshui Internet of Things Information Technology (Suzhou) Co., Ltd.	25%	15%	15%	High-tech enterprises
Zhangjiagang CIMC Sanctum Cryogenic Equipment Machinery Co., Ltd.	25%	15%	25%	High-tech enterprises
Shenzhen CIMC – TianDa Airport Support Co., Ltd.	25%	15%	15%	High-tech enterprises
Cuilian (China) Fire Safety Equipment Manufacturing Co., Ltd.	25%	15%	15%	High-tech enterprises
Deli Kyushu Logistics Automation System (Beijing) Co., Ltd.	25%	15%	15%	High-tech enterprises
CIMC Deli Logistics System (Suzhou) Co., Ltd.	25%	15%	15%	High-tech enterprises
Xinfa Airport Equipment Ltd.	25%	15%	15%	High-tech enterprises
Shanghai Jindun Special Vehicle Equipment Co., Ltd.	25%	15%	15%	High-tech enterprises
Shenzhen CIMC TianDa Logistics Systems Engineering Co., Ltd.	25%	15%	15%	High-tech enterprises
Shenyang Jietong Fire Truck Co., Ltd.	25%	15%	15%	High-tech enterprises
Sichuan Chuanxiao Fire Safety Vehicle Manufacturing Co., Ltd.	25%	15%	15%	High-tech enterprises
Langfang CIMC Airport Support Ltd.	25%	15%	15%	High-tech enterprises

NOTES TO THE FINANCIAL STATEMENTS

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Please refer to VI.1 and IV.16 for the definition of subsidiaries, associates and joint ventures.

1. Cash at bank and on hand

	30 June 2021	31 December 2020
Cash on hand	6,025	5,330
Bank deposits	12,346,455	11,283,374
Other cash balances	800,333	892,711
Total	13,152,813	12,181,415
Including: cash abroad	1,796,216	1,297,888

As at 30 June 2021, restricted cash at bank and on hand of the Group amounted to RMB1,280,479,000 (31 December 2020: RMB1,371,175,000), refer to Note IV.27 for details.

As at 30 June 2021, restricted cash at bank and on hand of the Group mentioned above included deposits of Finance Company in the People's Bank of China, amounting to RMB480,147,000 (31 December 2020: RMB478,464,000). Finance Company is a finance institution authorised by the People's Bank of China.

2. Financial assets held for trading

	30 June 2021	31 December 2020
Financial assets held for trading –		
Investments in equity instruments held for trading (i)	–	61,494
Investments in debt instruments held for trading (ii)	140,282	136,785
	140,282	198,279

(i) In February 2021, the Group disposed of all its investments in equity instruments held for trading.

(ii) The debt instruments held for trading are private security investment fund, and the fair value of the fund are determined according to the net asset value table provided by the fund company as of 30 June 2021 and 31 December 2020.

3. Derivative financial assets and liabilities

	Note	30 June 2021	31 December 2020
Derivative financial assets –			
Forward foreign exchange contracts	(1)	433,762	767,965
Foreign exchange option contracts	(2)	–	93
Interest rate swap contracts	(3)	–	–
		433,762	768,058
Derivative financial liabilities –			
Forward foreign exchange contracts	(1)	73,119	207,279
Foreign exchange option contracts	(2)	3,014	18
Interest rate swap contracts	(3)	14,557	74,923
Commitment to minority shareholders	(4)	526,100	465,561
		616,790	747,781

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021
(All amounts in RMB'000 unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Derivative financial assets and liabilities (Continued)

(1) Forward foreign exchange contracts

As at 30 June 2021, the Group had certain unsettled forward contracts, mainly denominated in USD, JPY, GBP, EUR, HKD, AUD and SEK. The nominal value of these contracts amounted to USD7,109,754,000, JPY966,422,000, GBP12,000,000, EUR195,833,000, HKD100,090,000, AUD4,000,000 and SEK30,000,000, respectively. Pursuant to these forward contracts, the Group are required to buy/sell foreign currencies, such as USD, JPY, GBP, EUR, HKD, AUD, SEK 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 1 July 2021 to 30 November 2022.

(2) Foreign exchange option contracts

As at 30 June 2021, the Group had certain unsettled forward contracts, mainly denominated in USD. The nominal value of these contracts amounted to USD140,000,000. Pursuant to these future contracts, the Group are required to buy/sell USD 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 1 December 2021.

(3) Interest rate swap contracts

As at 30 June 2021, the Group had 4 unsettled interest swap contracts denominated in USD, with a nominal value amounted to USD1,350,000,000 and a fair value of RMB14,557,000 debt. The settlement dates of the aforesaid interest swap contracts range from 7 March 2022 to 30 March 2022.

(4) Commitment to minority shareholders

The company and its wholly-owned subsidiary CIMC Hong Kong shall compensate CIMC Offshore's minority shareholders for the difference below the agreed amount when they exit through the sale of equity to a third party. The Group's obligation to make up for this difference is recognized as derivative financial liabilities at fair value.

NOTES TO THE FINANCIAL STATEMENTS

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Notes receivables

	30 June 2021	31 December 2020
Bank acceptance notes	472,031	307,852
Trade acceptance notes	57,098	63,043
Less : Provision for bad debts	(1,820)	(8,893)
	527,309	362,002

(a) As at 30 June 2021, pledged notes receivable presented in the notes receivables of the Group were as follows:

	30 June 2021
Bank acceptance notes	103,479
Trade acceptance notes	–
	103,479

(b) As at 30 June 2021, notes endorsed or discounted but not due, presented as notes receivables of the Group was as follows:

	Derecognized	Not Derecognized
Bank acceptance notes (i)	2,442,420	54,103
Trade acceptance notes	–	–
	2,442,420	54,103

(i) In 2021, only a few bank acceptance bills receivable were endorsed or discounted by some subsidiaries of the Group and derecognized, so they are still classified as financial assets measured at amortized cost. In addition, the Company and some subsidiaries of the Group discount and endorse some bank acceptance bills according to the needs of their daily fund management, so they are classified as financial assets measured at fair value through other comprehensive income and listed as receivables financing (Note IV.6).

Notes receivable of the Group are generated from daily business activities such as selling goods and providing services. No matter whether there is significant financing component or not, the provision for loss is measured according to the expected credit loss of the whole duration. On 30 June 2021, the Group's provision for bad debts is RMB1,820,000 (31 December 2020: RMB8,893,000) 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.

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021
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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Accounts receivables

	30 June 2021	31 December 2020
Notes receivables	27,717,646	19,844,720
Less: Provision for bad debts	(1,277,827)	(1,208,955)
	26,439,819	18,635,765

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

	30 June 2021	31 December 2020
Containers manufacturing	9,453,548	5,862,919
Road transportation vehicles	4,534,329	2,860,082
Energy, chemical and liquid food equipment	2,870,765	2,351,998
Offshore engineering	1,187,741	1,090,162
Airport facilities and logistics, fire safety and rescue	2,822,039	2,680,677
Logistics services	2,869,979	1,797,152
Heavy truck	1,140,569	996,499
Recycled load	847,962	662,858
Others	1,990,714	1,542,373
Sub-total	27,717,646	19,844,720
Less: provision for bad debts	(1,277,827)	(1,208,955)
	26,439,819	18,635,765

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

	30 June 2021	31 December 2020
Within 1 year (inclusive)	24,170,384	17,274,835
1 to 2 years (inclusive)	1,889,440	1,451,498
2 to 3 years (inclusive)	919,615	518,065
Over 3 years	738,207	600,322
Sub-total	27,717,646	19,844,720
Less: provision for bad debts	(1,277,827)	(1,208,955)
	26,439,819	18,635,765

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021
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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Accounts receivables (Continued)

- (c) As at 30 June 2021, the five largest balances of accounts receivables are analysed as follows, accumulated by arrearage parties:

	Book balance	Provision for bad debts	% of total accounts receivables
Total of the five largest accounts receivables	5,347,086	–	19.29%

As at 31 December 2020, the total amount of the top five accounts receivables of the Group was RMB4,038,397,000, accounting for 20.35% of the total accounts receivables.

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

From 1 January to 30 June 2021 and at 31 December 2020, 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 2021, notes and 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	5,927,139	1.79%	106,247	
Road transportation vehicles	–	–	–	
Energy, chemical and liquid food equipment	110,111	95.57%	105,233	
Offshore engineering	84,807	10.53%	8,934	
Airport facilities and logistics, fire safety and rescue	–	–	–	Measured provision as lifetime expected credit losses
Logistics services	132,264	4.62%	6,113	
Heavy truck	763,930	39.15%	299,071	
Recycled load	451,875	1.32%	5,951	
Others	1,850,673	2.75%	50,832	
	9,320,799		582,381	

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021
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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 2021, receivables that are assessed for impairment on a collective group basis are as follows:

Collectively assessed 1 – Containers manufacturing:

	30 June 2021			31 December 2020		
	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	3,296,661	0.00%	–	2,222,965	0.10%	2,329
Overdue within 1 month	178,283	0.13%	231	99,550	0.35%	349
Overdue for 1 to 3 months	6,496	1.51%	98	72,596	0.53%	388
Overdue 3 to 12 months	37,299	2.74%	1,021	32,363	1.94%	627
Overdue 1 to 2 years	7,112	23.00%	1,636	47,171	3.26%	1,537
Overdue 2 to 3 years	33	100.00%	33	33	100.00%	33
Overdue 3 to 5 years	408	100.00%	408	1,615	100.00%	1,615
Overdue for more than 5 years	117	100.00%	117	118	100.00%	118
	3,526,409		3,544	2,476,411		6,996

Collectively assessed 2 – Road transportation vehicles:

	30 June 2021			31 December 2020		
	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	3,943,506	2.69%	106,097	2,106,876	2.72%	57,308
Overdue within 1 month	266,946	3.57%	9,520	271,165	4.76%	12,907
Overdue for 1 to 3 months	81,165	5.69%	4,622	202,684	4.76%	9,648
Overdue 3 to 12 months	179,320	5.73%	10,268	187,807	4.76%	8,940
Overdue 1 to 2 years	24,688	30.63%	7,561	33,800	17.27%	5,837
Overdue 2 to 3 years	4,490	79.84%	3,585	9,449	64.67%	6,111
Overdue 3 to 5 years	34,214	98.20%	33,597	20,504	81.67%	16,746
Overdue for more than 5 years	–	–	–	27,797	100.00%	27,797
	4,534,329		175,250	2,860,082		145,294

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For the period from 1 January 2021 to 30 June 2021
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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 2021, receivables that are assessed for impairment on a collective group basis are as follows:
(Continued)

Collectively assessed 3 – Energy, chemical and liquid food equipment:

	30 June 2021			31 December 2020		
	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	2,080,136	0.92%	19,035	1,529,551	2.26%	34,623
Overdue within 1 month	104,300	0.95%	991	87,023	4.58%	3,986
Overdue for 1 to 3 months	94,421	3.32%	3,138	112,535	4.58%	5,154
Overdue 3 to 12 months	196,793	6.72%	13,229	217,335	6.84%	14,866
Overdue 1 to 2 years	132,352	47.27%	62,569	146,836	36.10%	53,008
Overdue 2 to 3 years	18,108	67.64%	12,249	26,461	48.92%	12,945
Overdue 3 to 5 years	91,810	88.59%	81,332	66,598	78.03%	51,966
Overdue for more than 5 years	42,734	100.00%	42,734	53,238	100.00%	53,238
	2,760,654		235,277	2,239,577		229,786

Collectively assessed 4 – Offshore engineering:

	30 June 2021			31 December 2020		
	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	970,418	0.00%	–	956,975	1.08%	10,291
Overdue within 1 month	–	–	–	–	–	–
Overdue for 1 to 3 months	–	–	–	–	–	–
Overdue 3 to 12 months	62,311	6.42%	3,999	54,693	1.10%	602
Overdue 1 to 2 years	21,231	15.54%	3,300	47,720	3.30%	1,575
Overdue for more than 2 years	48,974	19.81%	9,700	17,196	27.50%	4,729
	1,102,934		16,999	1,076,584		17,197

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021
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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 2021, receivables that are assessed for impairment on a collective group basis are as follows:
(Continued)

Collectively assessed 5 – Airport facilities and logistics, fire safety and rescue:

	30 June 2021			31 December 2020		
	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	1,524,552	0.33%	5,050	1,746,553	1.14%	19,840
Overdue within 1 month	83,739	0.82%	689	227,719	4.95%	11,269
Overdue for 1 to 3 months	206,525	0.98%	2,024	44,836	4.95%	2,219
Overdue 3 to 12 months	755,714	7.78%	58,828	359,543	4.95%	17,792
Overdue 1 to 2 years	142,061	12.46%	17,704	164,292	14.52%	23,862
Overdue 2 to 3 years	44,499	29.37%	13,070	51,775	33.49%	17,342
Overdue for more than 3 years	64,949	92.65%	60,173	85,959	70.92%	60,965
	2,822,039		157,538	2,680,677		153,289

Collectively assessed 6 – Heavy truck:

	30 June 2021			31 December 2020		
	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	199,384	0.65%	1,300	205,342	1.30%	2,673
Overdue within 1 month	34,177	1.09%	374	65,138	2.14%	1,397
Overdue for 1 to 3 months	27,680	2.74%	758	105,073	4.13%	4,344
Overdue 3 to 12 months	37,117	5.30%	1,968	109,902	7.56%	8,304
Overdue 1 to 2 years	62,183	29.86%	18,567	9,300	91.10%	8,472
Overdue for more than 2 years	16,098	42.08%	6,774	9,731	100.00%	9,731
	376,639		29,741	504,486		34,921

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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 2021, receivables that are assessed for impairment on a collective group basis are as follows:
(Continued)

Collectively assessed 7 – Logistics services:

	30 June 2021			31 December 2020		
	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	2,427,113	0.97%	23,522	1,601,805	0.34%	5,510
Overdue within 1 month	80,525	3.89%	3,135	47,559	6.91%	3,286
Overdue for 1 to 3 months	111,833	4.13%	4,622	59,101	11.23%	6,637
Overdue 3 to 12 months	77,877	5.08%	3,953	49,244	12.23%	6,023
Overdue 1 to 2 years	24,955	46.75%	11,667	21,325	49.33%	10,519
Overdue 2 to 3 years	13,388	100.00%	13,388	4,656	100.00%	4,656
Overdue for more than 3 years	2,024	100.00%	2,024	2,119	100.00%	2,119
	2,737,715		62,311	1,785,809		38,750

Collectively assessed 8 – Recycled load:

	30 June 2021			31 December 2020		
	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	390,738	1.55%	6,041	293,307	1.37%	4,017
Overdue within 1 month	611	1.64%	10	53,551	4.27%	2,285
Overdue for 1 to 3 months	1,744	14.33%	250	3,373	4.57%	154
Overdue 3 to 12 months	2,994	16.40%	491	-	-	-
Overdue 1 to 2 years	-	-	-	396	41.92%	166
Overdue for more than 2 years	-	-	-	496	100.00%	496
	396,087		6,792	351,123		7,118

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021
(All amounts in RMB'000 unless otherwise stated)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Accounts receivables (Continued)

(e) Provision for bad debts (Continued)

(ii) As at 30 June 2021, receivables that are assessed for impairment on a collective group basis are as follows:
(Continued)

Collectively assessed 9 – Others:

	30 June 2021			31 December 2020		
	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	94,882	0.00%	-	-	-	-
Overdue within 1 month	90	0.00%	-	-	-	-
Overdue for 1 to 3 months	2,866	0.00%	-	-	-	-
Overdue 3 to 12 months	23,459	0.00%	-	14,623	42.06%	6,150
Overdue 1 to 2 years	18,744	42.65%	7,994	-	-	-
Overdue 2 to 3 years	-	-	-	-	-	-
Overdue 3 to 5 years	-	-	-	-	-	-
Overdue for more than 5 years	-	-	-	-	-	-
	140,041		7,994	14,623		6,150

(f) The provision for bad debts for the period from 1 January to 30 June in 2021 amounted to RMB131,652,000 (For the period from 1 January to 30 June in 2020: RMB70,544,000). A provision for bad debts amounted to RMB42,208,000 has been collected or reversed. (For the period from 1 January to 30 June in 2020: RMB34,652,000).

(g) For the period from 1 January to 30 June in 2021, the accounts receivables amounted to RMB23,879,000 was written off (For the period from 1 January to 30 June in 2020: RMB103,669,000), the provision for bad debts amounted to RMB23,879,000 (For the period from 1 January to 30 June in 2020: RMB103,669,000).

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Accounts receivables (Continued)

(h) Accounts receivables from related parties

As at 30 June 2021, the Group's accounts receivables from related parties amounted to RMB233,308,000 (31 December 2020: RMB161,738,000), accounting for 0.84% of the total accounts receivables (31 December 2020: 0.82%).

Company name	Relationship with the Group	30 June 2021			31 December 2020		
		Amount	% of total balance	Provision for bad debts	Amount	% of total balance	Provision for bad debts
TSC	Associate	91,026	0.33%	-	84,990	0.43%	913
SUMITOMO CORPORATION ("SUMITOMO")	Minority shareholders of subsidiaries	62,135	0.22%	-	21,341	0.11%	-
Shaanxi Heavy Duty Automobile Co., Ltd.	Minority shareholders of subsidiaries	51,341	0.19%	-	-	-	-
Jiangsu Wanjiang	Joint venture	14,381	0.05%	-	20,139	0.10%	547
Yantai Jinghai Marine Fishery Co. LTD	Joint venture	5,823	0.02%	-	-	-	-
Huanyu Oriental International Container (Qingdao) Co., Ltd.	Subsidiary of former significant shareholder	1,486	0.01%	-	-	-	-
Zhoushan Changhong	Associate	791	0.00%	-	10,769	0.05%	-
Ningbo Mediterranean	Associate	617	0.00%	-	-	-	-
Ningbo Beilun	Associate	334	0.00%	-	1,008	0.01%	3
Tianzhu International Freight	Associate	163	0.00%	-	-	-	-
NKY Zhenhua	Joint venture	-	0.00%	-	5,577	0.03%	19
Wangyue Investment	Joint venture	-	0.00%	-	1,687	0.01%	-
Zhejiang Xinlong	Associate	-	0.00%	-	10,724	0.05%	-
COSCO Shipping Lines Co., Ltd ("COSCO Shipping Line")	Subsidiary of former significant shareholder	-	0.00%	-	705	0.00%	-
Dongfang International Container (Jinzhou) Co., Ltd. (" Dongfang International Jinzhou")	Subsidiary of former significant shareholder	-	0.00%	-	551	0.00%	-
Other related parties		5,211	0.02%	-	4,247	0.02%	15
		233,308	0.84%	-	161,738	0.82%	1,497

As at 30 June 2021 and 31 December 2020, 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 2021	31 December 2020
Receivables financing	1,140,287	1,546,753
Less: provision for bad debts	(2,467)	(2,576)
	1,137,820	1,544,177

Some subsidiaries of the Group discounted and endorsed some bank acceptance notes and trade 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 2021, the Group's provision for bad debts was RMB2,467,000 (31 December 2020: RMB2,576,000) measured according to the expected credit loss of the whole duration. 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 2021, the amount of pledged bank acceptance notes receivable disclosed in receivables financing was RMB34,711,000 (31 December 2020: RMB192,662,000), and the amount of pledged trade acceptance notes receivable was: Nil (31 December 2020: RMB72,622,000).

As at 31 December 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	6,294,999	39,789
Trade acceptance notes	29,161	5,685
	6,324,160	45,474

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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 2021	31 December 2020
Security deposits		1,095,459	829,620
Assets purchased under reverse repurchase agreements	(i)	565,000	400,000
Dividends receivable		315,678	133,402
Receivables arising from financing for related parities	VIII. 5(4)	406,363	542,410
Tax refund receivables		187,857	252,904
Loans	(ii)	213,516	223,366
Receivables from share capital increase/transfer		80,510	169,113
Government grants receivable		25,050	25,084
Interest receivable		6,300	11,520
Receivables from demolition compensation	(iii)	3,974	3,351,863
Others		1,092,648	1,003,874
		3,992,355	6,943,156
Less: provision for bad debts		(208,944)	(195,618)
		3,783,411	6,747,538

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

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

(iii) The receivables from demolition compensation is mainly due to the "CIMC Qianhai Project Cooperation Framework Agreement" and its supplementary agreements between Southern CIMC, a subsidiary of the group, and Qianhai Yingji (Shenzhen) Industrial Development Co., Ltd. ("Qianhai Yingji"), Qianhai Jingji (Shenzhen) Industrial Development Co., Ltd. ("Qianhai Jingji"), Qianhai Shengji (Shenzhen) Industrial Development Co., Ltd. ("Qianhai Shengji"), Qianhai Shiji (Shenzhen) Industrial Development Co., Ltd. ("Qianhai Shiji") and Qianhai Chuangji (Shenzhen) Industrial Development Co., Ltd. ("Qianhai Chuangji"). The contract stipulates that Qianhai Yingji, Qianhai Jingji, Qianhai Shengji, Qianhai Shiji and Qianhai Chuangji needs to pay RMB6,673,511,000 for the CIMC Qianhai Project to Southern CIMC. As at 31 December 2020, the aforesaid receivables totaling RMB3,336,755,000 has not yet reached the contractual payment date. The receivables have been recovered before 30 June 2021.

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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 Book balance	for bad debts	Book balance	for bad debts		Provision Book balance	for bad debts	Book balance	for bad debts		
					Provision for bad debts					Provision for bad debts	Provision for bad debts
31 December 2020	1,930,506	29,663	4,839,354	15,461	45,124	43,373	27,224	129,923	123,270	150,494	195,618
Increase in current period	904,635	13,900	317,305	980	14,880	11,944	7,497	35,795	9,697	17,194	32,074
Decrease in current period	(280,636)	(4,312)	(3,866,545)	(795)	(5,107)	(26,929)	(16,903)	(46,370)	(175)	(17,078)	(22,185)
Including: Write-off in current period	-	-	(628)	(628)	(628)	(436)	(436)	-	-	(436)	(1,064)
Increase/Reversal of provision for bad debts in current period Notes (i)	-	16,082	-	14,945	31,027	-	(8,529)	-	(19,061)	(27,590)	3,437
Transfer to the third stage	(13,383)	(13,383)	(13,919)	(13,919)	(27,302)	13,383	13,383	13,919	13,919	27,302	-
30 June 2021	2,541,122	41,950	1,276,195	16,672	58,622	41,771	22,672	133,267	127,650	150,322	208,944

(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, reversals in provision for bad debts due to changes in parameters and data used in determining expected credit losses were RMB3,437,000.

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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)

As at 30 June 2021 and 31 December 2020, other receivables that are assessed individually was as follows:

(i) As at 30 June 2021, 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
Security deposits	400,500	2.59%	10,365	
Receivables arising from financing for related parities	261,388	–	–	Note: Measured provision as expected credit losses in the next twelve months
Tax refund receivables	134,108	–	–	
Loans	79,653	1.02%	814	
Receivables from share capital increase/transfer	293	–	–	
Receivables from demolition compensation	2	–	–	
Others	400,251	1.37%	5,493	
	1,276,195		16,672	

Third Stage	Book balance	Lifetime expected credit loss rate	Provision for bad debts	Reason
Loans	46,859	89.66%	42,012	Note: Measured provision as lifetime expected credit losses
Security deposits	32,434	100.00%	32,434	
Receivables from share capital increase/transfer	20,300	100.00%	20,300	
Receivables from demolition compensation	3,231	100.00%	3,231	
Others	30,443	97.47%	29,673	
	133,267		127,650	

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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 31 December 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
Receivables from demolition compensation	3,336,755	–	–	Note: Measured provision as expected credit losses in the next twelve months
Security deposits	432,291	2.39%	10,330	
Receivables arising from financing for related parities	232,876	–	–	
Tax refund receivables	163,651	–	–	
Receivables from share capital increase/transfer	72,150	–	–	
Loans	59,306	0.44%	259	
Others	542,325	0.90%	4,872	
	4,839,354		15,461	

Third Stage	Book balance	Lifetime expected credit loss rate	Provision for bad debts	Reason
Loans	80,225	93.43%	74,958	Note: Measured provision as lifetime expected credit losses
Receivables from share capital increase/transfer	20,475	100.00%	20,475	
Security deposits	10,313	97.02%	10,006	
Receivables from demolition compensation	3,231	100.00%	3,231	
Others	15,679	93.12%	14,600	
	129,923		123,270	

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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)

(iii) As at 30 June 2021 and 31 December 2020, other receivables that are assessed collectively was as follows:

	30 June 2021			31 December 2020		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Amount	Accrual rate	Amount	Amount	Accrual rate
First Stage						
Security deposits	661,865	4,732	0.71%	384,714	2,055	0.53%
Assets purchased under reverse repurchase agreements	565,000	-	-	400,000	-	-
Dividends receivable	315,678	-	-	133,402	-	-
Loans	61,078	69	0.11%	56,101	61	0.11%
Receivables from share capital increase/transfer	59,917	-	-	76,488	-	-
Tax refund receivables	53,749	-	-	89,253	-	-
Receivables arising from financing for related parties	144,975	-	-	309,534	-	-
Government grants receivable	25,050	-	-	25,084	-	-
Receivables from demolition compensation	741	-	-	11,877	-	-
Interest receivable	6,300	-	-	11,520	-	-
Others	646,769	37,149	5.74%	432,533	27,547	6.37%
	2,541,122	41,950		1,930,506	29,663	

	30 June 2021			31 December 2020		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Amount	Accrual rate	Amount	Amount	Accrual rate
Third Stage						
Loans	25,926	15,417	59.47%	27,734	21,313	76.85%
Security deposits	660	-	-	2,302	1,401	60.86%
Others	15,185	7,255	47.78%	13,337	4,510	33.82%
	41,771	22,672		43,373	27,224	

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For the period from 1 January 2021 to 30 June 2021
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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 RMB11,914,000 (For the period from 1 January to 30 June in 2020: RMB3,159,000), among which RMB2,279,000 has been recovered or reversed (For the period from 1 January to 30 June in 2020: RMB230,000).
- (4) Other receivables written off in current period amounted to RMB1,064,000 (For the period from 1 January to 30 June in 2020: RMB21,254,000).
- (5) As at 30 June 2021, the five largest balances of other receivables are analysed as follows:

	Nature	Book balance	Aging	% of total balance	Provision for bad debts
Jinyuan Shunan Hongfeng Debt 87-month regular opening of bond securities investment funds	Buy financial assets under resale agreements	350,000	within 1 year	8.77%	-
Dongguan CIMC Innovation Industrial Park Development Corporation Limited	Receivables arising from financing for related parities	308,027	1 to 3 years	7.72%	-
China's Industrial Bank Shanghai Branch	Security deposits	245,493	within 1 year	6.15%	-
Furong Fukai 1-3 year CDB bonded fund	Buy financial assets under resale agreements	215,000	within 1 year	5.39%	-
Ningxia Yuanshan New Energy Group Co. Ltd	Receivables arising from financing for related parities	60,239	1 to 2 years	1.51%	-
		1,178,759		29.53%	-

- (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 2021 and 31 December 2020, 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 2021, other receivables from related parties were analysed as follows

Company name	Relationship with the Group	30 June 2021				31 December 2020			
		Amount	Nature	% of total balance	Provision for bad debts	Amount	Nature	% of total balance	Provision for bad debts
CIMC Industrial City and its subsidiaries	Associate	332,068	Funding	8.32%	-	3,974,927	Funding and demolition compensation	57.25%	-
Ningxia Yuanshan New Energy Group Co. Ltd	Minority shareholders of the Group's subsidiaries	60,239	Funding	1.51%	-	-	-	-	-
Tianjin Changlu Haijing Group Limited	Minority shareholders of the Group's subsidiaries	10,000	Funding	0.25%	-	-	-	-	-
OOS International B.V.	Associate	894	Daily transfer	0.02%	-	14,104	Daily transfer	0.20%	-
Xinyang Wood	Associate	4,056	Funding	0.10%	-	4,103	Funding	0.06%	-
Shenzhen China Merchants Real Estates Holding Co., Ltd.	Subsidiary of significant shareholder	-	Transfer of equity	-	-	70,650	Transfer of equity	1.02%	-
Other related parties		7,025		0.18%	-	3,234		0.05%	-
		414,282		10.38%	-	4,067,018		58.58%	-

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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 2021	31 December 2020
Raw material (including vessels under construction)	3,786,984	2,938,558
Others	417,862	436,539
Sub-total	4,204,846	3,375,097
Less: provision for impairment	(40,162)	(40,484)
	4,164,684	3,334,613

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

	30 June 2021		31 December 2020	
	Amount	% of total balance	Amount	% of total balance
Within 1 year (inclusive)	3,203,563	76.19%	2,765,957	81.95%
1 to 2 years (inclusive)	457,089	10.87%	119,059	3.53%
2 to 3 years (inclusive)	34,916	0.83%	34,144	1.01%
Over 3 years	509,278	12.11%	455,937	13.51%
Sub-total	4,204,846	100.00%	3,375,097	100.00%
Less: provision for impairment	(40,162)		(40,484)	
	4,164,684		3,334,613	

The aging is calculated from the date that advances to suppliers were recognized.

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 2021, 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	1,039,783	24.73%

As at 31 December 2020, the total amount of the Group's five largest advances to suppliers amounted to RMB475,638,000, accounting for 14.09% of the total balance.

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

As at 30 June 2021 and 31 December 2020, there was 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 2021			31 December 2020		
		Amount	% of total balance	Provision for bad debts	Amount	% of total balance	Provision for bad debts
Shaanxi Heavy Duty Automobile	Minority shareholder of subsidiary	159	0.00%	-	-	-	-
Changzhou Suhang Logistics Co., Ltd.	Minority shareholder of subsidiary	226	0.01%	-	226	0.01%	-
		385	0.01%	-	226	0.01%	-

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Inventories

(1) Inventories summarised by categories are as follows:

	30 June 2021			31 December 2020		
	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	7,574,497	(203,146)	7,371,351	4,891,548	(189,598)	4,701,950
Work in progress	5,784,043	(76,828)	5,707,215	4,263,942	(102,928)	4,161,014
Finished goods	4,845,502	(142,281)	4,703,221	4,558,185	(157,880)	4,400,305
Consignment stocks	218,407	(65)	218,342	154,491	(65)	154,426
Spare parts	270,409	(3,692)	266,717	248,399	(3,574)	244,825
Low-valued consumables	29,711	(1,187)	28,524	22,994	(1,194)	21,800
Materials in transit	26,968	-	26,968	51,424	-	51,424
Completed properties	48,382	(13,325)	35,057	50,967	(13,325)	37,642
Properties under development	296,969	(3,064)	293,905	306,505	(4,992)	301,513
Offshore engineering Project	1,543,543	(266,680)	1,276,863	1,619,837	(267,737)	1,352,100
Costs incurred to fulfil a contract	8,200	-	8,200	45,165	-	45,165
	20,646,631	(710,268)	19,936,363	16,213,457	(741,293)	15,472,164

As at 30 June 2021, there was no the restricted inventories (31 December 2020: Nil).

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Inventories (Continued)

(2) Analysis of book balance movement of inventories for the period is as follows:

	31 December 2020	Increase in current period	Decrease in current period	Disposal of subsidiary	30 June 2021
Raw materials	4,891,548	70,890,414	(68,207,465)	-	7,574,497
Work in progress	4,263,942	20,228,316	(18,681,389)	(26,826)	5,784,043
Finished goods	4,558,185	57,194,464	(56,907,147)	-	4,845,502
Consignment stocks	154,491	1,118,782	(1,054,866)	-	218,407
Spare parts	248,399	269,507	(247,497)	-	270,409
Low-valued consumables	22,994	201,800	(195,083)	-	29,711
Materials in transit	51,424	104,289	(128,745)	-	26,968
Completed properties	50,967	27	(2,612)	-	48,382
Properties under development	306,505	6,042	(15,578)	-	296,969
Offshore engineering Project	1,619,837	1,008,557	(1,084,851)	-	1,543,543
Costs incurred to fulfil a contract	45,165	181,151	(218,116)	-	8,200
	16,213,457	151,203,349	(146,743,349)	(26,826)	20,646,631

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

Category	31 December 2020	Increase in current period Recognize	Decrease in current period		Disposal of subsidiary	Currency translation differences	30 June 2021
			Reversal	Write-off			
Raw materials	189,598	26,244	(545)	(11,953)	-	(198)	203,146
Work in progress	102,928	14,375	(10,842)	(1,147)	(26,826)	(1,660)	76,828
Finished goods	157,880	17,983	(1,783)	(31,140)	-	(659)	142,281
Consignment stocks	65	-	-	-	-	-	65
Spare parts	3,574	772	-	(514)	-	(140)	3,692
Low-valued consumables	1,194	-	(4)	(2)	-	(1)	1,187
Completed properties	13,325	-	-	-	-	-	13,325
Properties under development	4,992	-	-	(1,928)	-	-	3,064
Offshore engineering Project	267,737	-	-	(5)	-	(1,052)	266,680
	741,293	59,374	(13,174)	(46,689)	(26,826)	(3,710)	710,268

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Inventories (Continued)

(4) Provision for impairment of inventories are as follows:

- (a) The provision for impairment of the Group's inventories during the year was recognised mainly for the price drop of certain products and the slow-moving or waste materials.

Reversal/written off of provision for impairment of the Group's inventories during January to June 2021 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
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
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 2021	31 December 2020
Contract assets	2,852,609	2,417,082
Less: contract assets impairment provision	(37,600)	(33,419)
	2,815,009	2,383,663

Regardless of whether there is a significant financing component in the contract assets, the Group measures the loss provision based on the expected credit loss for the entire duration.

As at 30 June 2021, impairment provision of contract assets individually assessed are as follows:

	Book balance	Lifetime expected credit losses rate	Impairment provision	Reason
Offshore engineering	691,212	0.13%	903	Note: Measured provision as lifetime expected credit losses
Energy, chemical and liquid food equipment	1,409,130	1.79%	25,262	
	2,100,342		26,165	

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. Contract assets (Continued)

As at 30 June 2021, impairment provision of contract assets collectively assessed are as follows:

	Book balance	Lifetime expected credit losses rate	Impairment provision	Reason
Airport facilities and logistics, fire safety and rescue business	740,668	1.54%	11,435	Note: Measured provision as lifetime expected credit losses
Others	11,599	0.00%	-	
	752,267		11,435	

11. Current portion of non-current assets

	30 June 2021	31 December 2020
Finance lease receivables (Note IV.15)	5,983,217	5,934,766
Less: unrealised financing income	(1,218,634)	(1,261,351)
Finance lease receivables – net	4,764,583	4,673,415
Sales of goods by installment	5,334	6,809
Others	316,517	357,548
Less: impairment provisions	(939,239)	(888,235)
	4,147,195	4,149,537

As at 30 June 2021, the balance of the long-term receivables from related parties due within one year of the Group was as below:

Company Name	Relationship	30 June 2021	31 December 2020
LiHua Energy	Associate	157,195	157,802
New Horizon Shipping UG	Joint Venture	15,366	14,621
Zhongyi Xinwei	Associate	3,338	3,206
		175,899	175,629

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. Other current assets

	30 Jun 2021	31 December 2020
Tax deductible/withheld	1,406,481	1,032,039
Others	417,906	281,659
	1,824,387	1,313,698

13. Other equity investments

(1) Equity investments

	30 June 2021	31 December 2020
Unlisted company equity		
– Bank of Communications Schroder Fund Management Co., Ltd. ("BOCM Schroder")	330,935	308,204
– China United International Rail Containers Co., Ltd. ("CR Intermodal")	296,947	301,631
– Shenzhen CIMC Intelligent Technology Co., Ltd. ("CIMC Intelligent Technology")	11,700	11,700
– Xiamen HuaRui Overseas Returnees Billing and School ("Xiamen HuaRui")	5,855	5,855
– China Railway Special Cargo Services Co.,LTD ("China Railway Special Cargo")	117,180	155,300
Listed company equity		
– Shoucheng Holdings Limited ("Shoucheng Holdings ")	324,372	388,057
– Otto Energy Limited	591	611
	1,087,580	1,171,358

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Other equity investments (Continued)

(1) Equity investments (Continued)

	30 June 2021	31 December 2020
BOCM Schroder		
– Historical cost	8,125	8,125
– Accumulated changes in fair value	322,810	300,079
	330,935	308,204
CR Intermodal		
– Historical cost	380,780	380,780
– Accumulated changes in fair value	(83,833)	(79,149)
	296,947	301,631
CIMC Intelligent Technology		
– Historical cost	11,700	11,700
– Accumulated changes in fair value	–	–
	11,700	11,700
Xiamen HuaRui		
– Historical cost	5,855	5,855
– Accumulated changes in fair value	–	–
	5,855	5,855
China railway special cargo		
– Historical cost	161,563	161,563
– Accumulated changes in fair value	(44,383)	(6,263)
	117,180	155,300
Shoucheng Holdings		
– Historical cost	189,217	191,383
– Accumulated changes in fair value	135,155	196,674
	324,372	388,057
Otto Energy Limited		
– Historical cost	5,252	5,304
– Accumulated changes in fair value	(4,661)	(4,693)
	591	611

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Other equity investments (Continued)

(1) Equity investments (Continued)

The shareholding ratio of the Group in the above companies are as follows:

	Shareholding Ratio
Unlisted company equity	
– BOCM Schroder	5.00%
– CR Intermodal	10.00%
– CIMC Intelligent Technology	13.00%
– Xiamen HuaRui	4.00%
– China Railway Special Cargo	1.00%
Listed company equity	
– Shoucheng Holdings	4.36%
– Otto Energy Limited	0.36%

14. Other non-current financial assets

	30 June 2021	31 December 2020
Equity investment that is measured at fair value and whose changes are included in the current profit and loss	159,735	101,885
Foreign exchange forward contract (Note IV.3(1))	1,380	605
	161,115	102,490

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Long-term receivables

	30 June 2021	31 December 2020
Finance lease receivables	21,242,781	23,523,260
Less: unrealised financing income	(5,340,331)	(6,588,053)
Finance lease receivables – net	15,902,450	16,935,207
Sales of goods by installments	85,905	76,634
Others	406,752	454,579
Sub-total	16,395,107	17,466,420
Less: provision for bad debts	(1,395,335)	(1,339,607)
Sub-total	14,999,772	16,126,813
Less: current portion of non-current assets	(4,147,195)	(4,149,537)
	10,852,577	11,977,276

As at 30 June 2021, there was no long-term receivables due from shareholders holding more than 5% (inclusive) of the voting rights of the Company (31 December 2020: Nil).

The total future minimum lease receipts under finance lease after the balance sheet date, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the balance sheet date), are analysed as follows:

Minimum lease receipts	30 June 2021	31 December 2020
Within 1 year (inclusive)	5,983,217	5,934,766
Over 1 year but within 2 years (inclusive)	3,265,751	3,248,077
Over 2 years but within 3 years (inclusive)	1,988,098	2,187,576
Over 3 years	10,005,715	12,152,841
	21,242,781	23,523,260

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Long-term receivables (Continued)

As at 30 June 2021, the long-term receivables derecognized due to transferring of financial assets amounted RMB272,037,000 (31 December 2020: RMB773,526,000):

	Derecognition amount	The income from derecognition
Finance lease receivables	272,037	22,357

The analysis of long-term accounts receivable from related parties is as follows:

Company name	Relationship with the Group	30 June 2021	31 December 2020
New Horizon Shipping UG	Joint Venture	497,716	510,711
Zhongyi Xinwei	Associate	5,366	7,078
Hongxin Venture Workshop Investment Group Co., Ltd. ("Hongxin Venture Workshop")	Minority shareholder of subsidiaries	67,586	76,776
		570,668	594,565

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Long-term receivables (Continued)

(1) Loss provision and changes in book balance:

	First stage					Second stage		Third stage					Sub-total	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)				
	Book balance	Provision for bad debts	Book balance	Provision for bad debts		Book balance	Provision for bad debts	Book balance	Provision for bad debts	Book balance	Provision for bad debts			
31 December 2020	5,957,318	193,243	10,179,057	135,513	328,756	663,938	443,109	145,460	136,901	520,647	430,841	567,742	1,339,607	
Increase in current period	1,021,309	51,369	-	-	51,369	-	-	-	-	29,897	64,703	64,703	116,072	
Decrease in current period	(1,306,829)	(18,856)	(729,618)	-	(18,856)	(96,603)	(53,211)	(44,031)	(42,839)	54,562	54,562	11,723	(60,344)	
Including: Write-off in current period	-	-	-	-	-	-	-	-	-	-	-	-	-	
Derecognize	-	-	(272,037)	-	-	-	-	-	-	-	-	-	-	
Increase/Reversal of provision for bad debts in current period (i)	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer to the third stage	(35,819)	(35,212)	-	-	(35,212)	(25,468)	(19,395)	61,287	54,607	-	-	54,607	-	
Transfer back to the first stage	68,778	12,796	-	-	12,796	(68,778)	(12,796)	-	-	-	-	-	-	
Transfer to the second stage	(25,197)	(3,585)	-	-	(3,585)	25,197	3,585	-	-	-	-	-	-	
30 June 2021	5,679,560	199,755	9,449,439	135,513	335,268	498,286	361,292	162,716	148,669	605,106	550,106	698,775	1,395,335	

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Long-term receivables (Continued)

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

(i) As at 30 June 2021, 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:				Measured provision as expected credit losses in the next twelve months
Finance lease receivables	9,449,439	1.43%	135,513	

As at 30 June 2021 and 31 December 2020, the provision for bad debts of long-term receivables that are collectively assessed in the first stage are as follows:

	30 June 2021			31 December 2020		
	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	5,247,509	3.77%	197,884	5,525,609	3.45%	190,432
Sales of goods by installments	49,171	0.18%	87	38,958	-	-
Others	382,880	0.47%	1,784	392,751	0.72%	2,811
	5,679,560		199,755	5,957,318		193,243

(ii) As at 30 June 2021, the provision for bad debts of long-term receivables that are collectively assessed in the second stage are as follows:

	30 June 2021			31 December 2020		
	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	498,286	72.51%	361,292	602,110	69.48%	418,336
Others	-	-	-	61,828	40.07%	24,773
	498,286		361,292	663,938		443,109

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Long-term receivables (Continued)

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

(iii) As at 30 June 2021, 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:				Measured provision as lifetime expected credit losses
Finance lease receivables	605,106	90.91%	550,106	

As at 30 June 2021 and 31 December 2020, the provision for bad debts of long-term receivables that are collectively assessed in the third stage are as follows:

	30 June 2021			31 December 2020		
	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	125,982	88.85%	111,935	107,784	92.06%	99,225
Sales of goods by installments	36,734	100.00%	36,734	37,676	100.00%	37,676
	162,716		148,669	145,460		136,901

(2) As at 30 June 2021, long-term receivables with book balance of RMB2,862,112,000 have been used as the guaranty of long-term loans of USD249,892,000 (equivalent to RMB1,614,330,000) and long-term loans due within one year of USD59,869,000 (equivalent to RMB386,765,000) (Note IV.39).

16. Long-term equity investments

(1) Classification of long-term equity investments:

		30 June 2021	31 December 2020
Joint ventures	(2)	1,014,225	1,014,833
Associates	(3)	7,800,842	8,236,251
		8,815,067	9,251,084
Less: impairment provisions		(152,500)	(152,500)
		8,662,567	9,098,584

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 associates and joint ventures.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Long-term equity investments(Continued)

(2) Long-term equity investments in joint ventures

	31 December 2020	Movement in current period							30 June 2021	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	Provision for impairment	Currency Translation differences		
Guangxi Southern CIMC Logistics Equipment Manufacturing Co., Ltd. ("Guangxi Southern Logistics")	57,556	-	8,396	-	-	-	-	-	65,952	-
Jiangsu Wanjing Technology Co., Ltd.	12,824	-	(109)	-	-	-	-	-	12,715	-
NYK Zhenhua logistics (Tianjin) Co. Ltd. ("NKY Zhenhua")	68,170	-	(263)	-	-	-	-	-	67,907	-
Kawasaki Zhenghua logistics (Tianjin) Co. Ltd.	21,504	-	412	-	-	-	-	-	21,916	-
Qingdao Jiefeng Baijian Container Maintenance Co., Ltd.	14,395	-	550	-	-	-	(72)	-	14,873	-
Dalian Jilong & Baijian Logistics Co., Ltd.	2,902	-	-	-	-	-	(13)	-	2,889	-
Shanghai Baijian Dewei Container Maintenance Co., Ltd.	14,527	-	(583)	-	-	-	(47)	-	13,897	-
Tianjin Jinshi Baijian Container Maintenance Co., Ltd.	5,676	-	(324)	-	-	-	(16)	-	5,336	-
Y&C Engine Co., Ltd. ("Y&C Engine")	245,856	-	(231)	-	-	-	-	-	245,625	-
Ningbo Meishan Bonded Port Area Chuangzhi Lian-cheng Investment Management Partnership	50,066	-	-	-	-	-	-	-	50,066	-
New Horizon Shipping UG	33,449	-	6,314	-	-	-	(6,625)	-	33,138	-
Chemgas Schifffahrts UG (haftungsbeschränkt) & Co. MT "GASCHEMNARWHAL" KG	89,652	-	4,943	-	-	-	(5,932)	-	88,663	-
Shenzhen CIMC Lvmal Logistics and Intelligent Transportation Private Equity Investment Fund Partnership (Limited Partnership)	56,234	-	-	-	-	-	-	-	56,234	-
Guangxi Angel Education Investment Co., Ltd	1,500	-	-	-	-	-	-	-	1,500	-
Bavaria Egypt	892	-	-	-	-	-	(38)	-	854	-
Shenzhen Xinghuo Chelian Technology Co., Ltd.	3,947	-	(43)	-	-	-	-	-	3,904	-
Yantai Jinghai Ocean Fishery Co., Ltd.	87,591	-	(1,344)	-	-	-	-	-	86,247	-
Shenzhen Tianyi Changmao Investment Partnership (Limited Partnership)	1,000	-	-	-	-	-	-	-	1,000	-
Shenzhen CIMC Tianyi Equity Investment Management Partnership (Limited Partnership)	5,583	(5,583)	-	-	-	-	-	-	-	-
Gongqingcheng CIMC Water Investment Environmental Protection Industry Investment Partnership	67,519	-	-	-	-	-	-	-	67,519	-
Shenzhen Wangyue Equity Investment Fund Partnership (Limited Partnership) ("Shenzhen Wangyue")	173,990	-	-	-	-	-	-	-	173,990	-
	1,014,833	(5,583)	17,718	-	-	-	(12,743)	-	1,014,225	-

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

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Long-term equity investments(Continued)

(3) Long-term equity investments in associates

	31 December 2020	Movement in current period							30 June 2021	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	Provision for impairment	Currency Translation differences		
Xinyang Wood Hong Kong Co., Ltd. ("XYW")	8,005	-	-	-	-	-	-	(64)	7,941	-
Xiamen CIMC Haitou Container Service Co., Ltd. ("Xiamen CIMC Haitou")	18,824	-	1,242	-	-	-	-	(53)	20,013	-
Dalian Jilong Logistics Co., Ltd.	19,616	-	(1,167)	-	-	-	-	(236)	18,213	-
Senju (Jiangmen) Technology Material Co., Ltd. ("Senju Jiangmen")	41,111	(40,558)	(553)	-	-	-	-	-	-	-
Shenzhen CIMC Industrial City Development Group Co., Ltd. and its subsidiaries (i)	7,167,158	(4,699)	(124,568)	-	-	(326,551)	-	-	6,711,340	-
CMIC Ocean En-Tech Holding Co., Ltd. ("Ocean En-Tech")	42,726	-	-	-	-	-	-	(2,607)	40,119	-
Marine Subsea & Consafe Limited ("MSC")	2	-	-	-	-	-	-	-	2	(2)
Tianzhu (Shanghai) International Freight Agency Co., Ltd. ("Tianzhu International")	1,522	-	(48)	-	-	-	-	-	1,474	-
LiHua gas storage and transportation Co., Ltd. ("LiHua Energy")	111,415	-	-	-	-	-	-	-	111,415	(111,415)
Jiuquan Enric Kunlun Cryogenic Machinery Co., Ltd. ("Jiuquan Cryogenic")	2,608	-	-	-	-	-	-	-	2,608	(2,608)
Newtown Optoelectronics Technology (Shanghai) Co., Ltd. ("Newtown Optoelectronics")	16,163	-	-	-	-	-	-	-	16,163	-
Qingdao Port International Trade and Logistics Co., Ltd. ("Qingdao Port International")	52,984	-	4,009	-	-	-	-	-	56,993	-
Jiahua Shipping Co., Ltd. ("Jiahua Shipping")	78,378	-	-	-	-	-	-	(420)	77,958	(37,564)
Xindu Freight Co., Ltd.	1,511	-	150	-	-	-	-	-	1,661	-
Chifeng Lvtianyuan Farm Co., Ltd.	6,472	-	-	-	-	-	-	-	6,472	-
North Sea Rigs AS	12,802	-	-	-	-	-	-	(127)	12,675	-
Chengdu To Communication Equipment Co., Ltd.	842	(400)	(9)	-	-	-	-	-	433	-
Shenzhen Road Network Technology Co., Ltd. ("Shenzhen Road Network")	6,233	-	-	-	-	-	-	-	6,233	-
Beijing Boxcool Exhibition Co., Ltd.	12,558	-	-	-	-	-	-	-	12,558	-

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Long-term equity investments(Continued)

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

	31 December 2020	Movement in current period							30 June 2021	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	Provision for impairment	Currency Translation differences		
Shanghai Tanklink Supply Chain Technology Development Co., Ltd.	1,526	-	(39)	-	-	-	-	317	1,804	(911)
Fujian Qingchen Bamboo Industry Co., Ltd. ("Qingchen bamboo industry")	4,379	-	-	-	-	-	-	-	4,379	-
Mori (Shanghai) International Trade Co., Ltd. ("Mori Shanghai")	570	-	(32)	-	-	-	-	-	538	-
Shenzhen Cadro Hydraulic Equipment Co., Ltd. ("Cadro Hydraulic")	27,605	-	(1,639)	-	-	-	-	(912)	25,054	-
Sichuan Zhongyixinwei Energy Co., Ltd. ("Zhongyixinwei")	33,331	-	-	-	-	-	-	-	33,331	-
Hengqin CIMC Ruidexin Innovative Venture Capital Fund, LP.	24,305	-	-	-	-	-	-	-	24,305	-
Qingdao Port Lianhua International Trade Logistics Ltd. ("Qingdao Port Lianhua")	9,294	-	866	-	-	-	-	-	10,160	-
Ningbo Huaxiang Automotive New Material Technology Co., Ltd.	1,463	-	-	-	-	-	-	-	1,463	-
Cela S.r.L.	26,736	-	1,796	-	-	-	-	(1,151)	27,381	-
OOS International Holding	3,427	-	-	-	-	-	-	(33)	3,394	-
Ningbo Mediterranean Container Yard Co., Ltd. ("Ningbo Mediterranean")	21,265	-	2,202	-	-	(3,765)	-	-	19,702	-
Zhoushan Changhong International Ship Repair Co., Ltd. ("Zhoushan Changhong")	330,700	-	-	-	-	-	-	-	330,700	-
Nantong CIMC Yike New Material Development Co., Ltd. ("Nantong Yike")	8,718	-	-	-	-	-	-	-	8,718	-
CIMC Dongshan (Shanghai) Shipping Co., Ltd	17,432	-	89	-	-	-	-	-	17,521	-
Shitie Special Goods (Beijing) International Logistics Co., Ltd.	25,978	-	1,474	-	-	-	-	-	27,452	-
Tianjin Binhai COSCO Container Logistics Co., Ltd.	30,266	-	200	-	-	-	-	-	30,466	-
Guizhou Yinke Environmental Resources Co., Ltd	30,142	-	(1,026)	-	-	-	-	-	29,116	-
Yichuan Tianyun clean energy Co., Ltd	18,540	15,229	387	-	-	-	-	-	34,156	-
Chongqing Changliang Logistics Technology Co., Ltd.	4,624	-	470	-	-	-	-	-	5,094	-
Qingdao Senkete Intelligent Instrument Co., Ltd.	11,244	-	-	-	-	-	-	-	11,244	-

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Long-term equity investments(Continued)

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

	31 December 2020	Movement in current period							30 June 2021	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	Provision for impairment	Currency Translation differences		
Ningbo Beilun Donghua Container Service Co., Ltd.	3,665	-	735	-	-	-	-	-	4,400	-
Shenzhen Zhonglian Industry-University- Research Technology Co., Ltd.	111	-	-	-	-	-	-	-	111	-
Shanghai Offshore Industry Innovation Center Co. Ltd	-	10,000	-	-	-	-	-	-	10,000	-
Shenzhen Bay Angel Phase III Venture Capital Partnership (Limited partnership)	-	30,000	-	-	-	-	-	-	30,000	-
Dafei Lutong (Tianjin) Logistics Co., Ltd.	-	5,100	482	-	-	-	-	-	5,582	-
Xinyu Tiangao Investment Management Partnership (Limited Partnership)	-	500	-	-	-	-	-	-	500	-
	8,236,251	15,172	(114,979)	-	-	(330,316)	-	(5,286)	7,800,842	(152,500)

- (i) The Group's investment in CIMC Industry City includes directly holding 45.92% of the equity in CIMC Industry City and indirect holding of 34.44%-62.14% of the equity of CIMC Industry City subsidiary project company.

Refer to Note VI.2 for equity in associates.

As of 30 June 2021, based on the impairment test results obtained by comparing the recoverable amount of long-term equity investment in joint ventures and associates with their book value, except for MSC, Shanghai Tanklink, LiHua Energy, Jiuquan Cryogenic and Jiahua Shipping, there is no need to withdraw impairment provisions for long-term equity investments in other associates and joint ventures.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. Investment properties

	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	(31,123)	356	(30,767)
Transferred from fixed assets	11,228	–	11,228
Transferred from inventories	4,400,535	–	4,400,535
Transferred from intangible assets	11,263	–	11,263
Transferred to fix assets	(57,970)	–	(57,970)
Disposal this period	–	(176,900)	(176,900)
Disposal of subsidiaries	(5,478,399)	–	(5,478,399)
Currency translation differences	(10,735)	–	(10,735)
31 December 2020	1,200,130	237,840	1,437,970

	Buildings and relevant land use rights	Land use rights	Total
1 January 2021	1,200,130	237,840	1,437,970
Increase for the period	14,640	–	14,640
Transferred from intangible assets	–	5,085	5,085
Acquisition of subsidiaries	2,504	–	2,504
Decrease for the period	(11,229)	(5,275)	(16,504)
Classified as held for sale	(1,961)	–	(1,961)
Currency translation differences	(3,459)	–	(3,459)
30 June 2021	1,200,625	237,650	1,438,275

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. Investment properties (Continued)

In Jan. – June 2021 and Jan. – June 2020, no capitalization is included in the borrowing costs of investment real estate.

In Jan. – June 2021, the impact amount of changes in fair value of investment properties on the Group's current profit or loss was: Nil (Jan. – June 2020: RMB304,000).

In Jan. – June 2021, the Group had no disposed investment properties (January. – June 2020: Nil) and there was no the disposal income (Jan. – June 2020: Nil).

As at 30 June 2021, the buildings with carrying amount of about RMB92,687,000 (31 December 2020: RMB150,446,000) 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 2021, there was no land use right has not been entitled the property ownership certificates (31 December 2020: RMB31,860,000).

18. Fixed assets

	30 June 2021	31 December 2020
Fixed assets (a)	36,246,096	35,284,483
Disposal of fixed assets (b)	46,661	27,178
	36,292,757	35,311,661

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For the period from 1 January 2021 to 30 June 2021
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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Fixed assets (Continued)

(a) Fixed assets

	Plants and 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 rent	For own use	
Original cost											
31 December 2020	12,131,799	297,680	11,634,713	224,734	2,499,783	5,668	1,541,110	95,990	24,534,031	1,191,070	54,156,578
Business combination	19,224	-	33,033	-	171	-	34	-	-	-	52,462
Additions	65,084	2,358	233,500	-	134,992	26	191,748	-	683,531	-	1,311,239
Transferred from investment properties	-	-	-	-	-	-	-	-	-	-	-
Transferred from construction in progress	542,467	-	546,295	-	15,850	-	27,320	-	367,383	2,406	1,501,721
Transferred to investment properties	-	-	-	-	-	-	-	-	-	-	-
Divided as held for sale	(39,054)	-	-	-	(3,991)	-	-	-	-	-	(43,045)
Decrease in disposal of subsidiaries	-	-	(10,000)	-	(149)	-	-	-	-	-	(10,149)
Other reduction	(248,284)	-	(290,909)	-	(131,533)	(150)	(79,951)	-	-	-	(750,827)
Currency translation difference	(33,725)	-	(32,179)	-	(16,760)	-	(2,682)	-	(201,988)	(7,157)	(294,491)
30 June 2021	12,437,511	300,038	12,114,453	224,734	2,498,363	5,544	1,677,579	95,990	25,382,957	1,186,319	55,923,488
Accumulated depreciation											
31 December 2020	3,520,024	83,849	5,355,798	120,504	1,493,677	3,532	668,945	20,755	2,412,704	300,765	13,980,553
Business combination	4,463	-	17,133	-	143	-	66	-	-	-	21,805
Provision	224,578	21,913	343,279	19,592	101,395	847	80,363	-	356,306	503	1,148,776
Transferred to investment properties	-	-	-	-	-	-	-	-	-	-	-
Divided as held for sale	(15,264)	-	-	-	(2,727)	-	-	-	-	-	(17,991)
Decrease in disposal of subsidiaries	-	-	-	-	(134)	-	-	-	-	-	(134)
Other reduction	(93,691)	-	(112,533)	-	(63,171)	-	(35,505)	-	-	-	(304,900)
Currency translation difference	(14,422)	-	(16,858)	-	(12,167)	-	(1,603)	-	(20,328)	(2,922)	(68,300)
30 June 2021	3,625,688	105,762	5,586,819	140,096	1,517,016	4,379	712,266	20,755	2,748,682	298,346	14,759,809
Impairment provisions											
31 December 2020	234,766	-	35,816	-	6,435	-	16,386	-	4,598,139	-	4,891,542
Provisions	-	-	16,390	-	43,030	-	-	-	-	-	59,420
Disposals	-	-	(79)	-	-	-	-	-	-	-	(79)
Currency translation difference	(269)	-	(465)	-	329	-	(143)	-	(32,752)	-	(33,300)
30 June 2021	234,497	-	51,662	-	49,794	-	16,243	-	4,565,387	-	4,917,583
Net book value											
30 June 2021	8,577,326	194,276	6,475,972	84,638	931,553	1,165	949,070	75,235	18,068,888	887,973	36,246,096
31 December 2020	8,377,009	213,831	6,243,099	104,230	999,671	2,136	855,779	75,235	17,523,188	890,305	35,284,483

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For the period from 1 January 2021 to 30 June 2021
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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Fixed assets (Continued)

(a) Fixed assets (Continued)

As at June 30 2021, the book value of the fixed assets with restricted ownership of the Group was RMB34,097,000. Please refer to Note IV.27.

As at June 30 2021, depreciation of fixed assets recognized amounted to RMB1,148,776,000 (For the period from January 1 2020 to June 30 2020: RMB1,230,363,000), of which RMB941,134,000, RMB19,826,000, RMB119,319,000 and RMB68,497,000 (For the period from January 1 2020 to June 30 2020: RMB1,046,483,000, RMB23,686,000, RMB100,570,000 and RMB59,624,000) has been charged in cost of sales, selling and distribution expenses, general and administrative expenses, research and development expenses, respectively.

As at June 30 2021, the original cost of fixed assets transferred from construction in progress was RMB1,501,721,000 (For the period from January 1 2020 to June 30 2020: RMB366,136,000).

(1) Temporarily idle fixed assets

As at June 30 2021, the carrying amount of temporarily idle fixed assets amounts to about RMB341,065,000 (original cost of RMB615,631,000) (31 December 2020: carrying amount of about RMB34,761,000 and original cost of RMB52,067,000). The following table presents the detail:

	Original amount	Accumulated depreciation	Impairment provisions	Carrying amount
Buildings	611,370	(272,679)	–	338,691
Transportation equipment	4,261	(1,887)	–	2,374
	615,631	(274,566)	–	341,065

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Fixed assets (Continued)

(a) Fixed assets (Continued)

(2) *Fixed assets with certificates of ownership unsettled*

	Carrying amount	Reason for pending
Factory	735,012	Put to use, certificate being in the progress
Office building	189,011	Put to use, certificate being in the progress
Workshop	95,119	Put to use, certificate being in the progress
Dormitory and canteen	51,972	Put to use, certificate being in the progress
Warehouse	56,067	Put to use, certificate being in the progress
Others	175,520	Put to use, certificate being in the progress
Total	1,302,701	

(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 2021	31 December 2020
Buildings	8,597	–
Machinery and equipment	20,369	25,877
Transportation equipment	318	2
Office & other equipment	17,377	1,266
Special equipment for marine engineering	–	33
Total	46,661	27,178

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Construction in progress

(1) Construction in progress

	30 June 2021			31 December 2020		
	Book balance	Impairment provisions	Carrying amount	Book balance	Impairment provisions	Carrying amount
Medium deep and ultra deep water drilling platform project	7,360,768	(1,431,583)	5,929,185	7,394,144	(1,450,382)	5,943,762
Raffles H273 and H1293 project	2,233,930	(668,199)	1,565,731	2,277,979	(674,737)	1,603,242
Enric Low temperature plant renovation project	408,527	-	408,527	339,819	-	339,819
YZTH factory relocation project	57,135	-	57,135	449,421	-	449,421
Dongguan southern CIMC Fenggang phase 2 project	352,424	-	352,424	280,668	-	280,668
Financial information system construction project	53,294	-	53,294	16,710	-	16,710
Raffles shore crane project	81,327	-	81,327	81,327	-	81,327
Financial leasing Maersk 2300TEU container ship project	22,956	-	22,956	63,846	-	63,846
TAS Industrial Park Phase III Dormitory project	113,929	-	113,929	58,021	-	58,021
Humadian CIMC Huajun Lighthouse project	10,447	-	10,447	22,084	-	22,084
WHVS painting line upgrade project	78,052	-	78,052	22,551	-	22,551
Raffles CR600 platform adaptive transformation	21,912	-	21,912	22,132	-	22,132
Dongguan Multimodal Transport building project	18,483	-	18,483	18,483	-	18,483
TCCRC workshop renovation project	35,484	-	35,484	8,005	-	8,005
TCCIMC relocation and reconstruction project	24,611	-	24,611	14,984	-	14,984
Zhumadian CIMC Huajun production maintenance investment	1,844	-	1,844	6,075	-	6,075
Enric workshop construction project	39,618	-	39,618	24,325	-	24,325
CIMCNB water-based paint coating line reconstruction and waste treatment project	79,772	-	79,772	14,495	-	14,495
CIMCNB Land Project	1,719	-	1,719	1,719	-	1,719
Raffles gate 2 comprehensive office building project	14,975	-	14,975	8,163	-	8,163
XHCIMCS production line and power facilities renovation	28,468	-	28,468	5,807	-	5,807
Jiangsu Trailer Leasing transportation equipment renovation project	25,763	-	25,763	32,905	-	32,905
Modern logistic Zhenhua project	14,538	-	14,538	14,701	-	14,701
CIMCSV painting line upgrade	578	-	578	253	-	253

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Construction in progress (Continued)

(1) Construction in progress (Continued)

	30 June 2021			31 December 2020		
	Book balance	Impairment provisions	Carrying amount	Book balance	Impairment provisions	Carrying amount
QDCRC Plant renovation project	30,440	-	30,440	3,577	-	3,577
Jiangmen Vehicle plant renovation project	2,218	-	2,218	1,177	-	1,177
Dongguan CIMC vehicles logistics equipment project	876	-	876	876	-	876
Reefer Trailer Polar bear project	132	-	132	145,816	-	145,816
Yangshan Logistics Longteng Plan Final Assembly Model Project	14,425	-	14,425	28,931	-	28,931
Chuzhou New Material Plant Land Project	-	-	-	31,260	-	31,260
Tiezhongbao new plant preparation project	24,120	-	24,120	20,390	-	20,390
CIMC Lingyu Production Line Upgrade Project	3,331	-	3,331	5,778	-	5,778
Vanguard-Trenton & Monon GA Plant	12,017	-	12,017	6,564	-	6,564
CIMCDG Special Vehicle Workshop 2 Project	15,803	-	15,803	56	-	56
CIMCNC new plant project	47,522	-	47,522	-	-	-
CIMCNC Daiyi Reactor Project	12,589	-	12,589	214	-	214
Hengyang new material land project	32,334	-	32,334	-	-	-
Shanghai Baowei production line upgrade project	94,551	-	94,551	28,487	-	28,487
CIMCTJ production line upgrade project	42,555	-	42,555	9,881	-	9,881
Taicang Special Equipment production line upgrade project	139,467	-	139,467	7,320	-	7,320
CIMC Thailand Durian Phase 2 project	149,535	-	149,535	-	-	-
Others	461,161	(305)	460,856	489,809	(305)	489,504
Total	12,163,630	(2,100,087)	10,063,543	11,958,753	(2,125,424)	9,833,329

As at 30 June 2021, the carrying amounts of construction in progress included accumulated capitalised borrowing cost of RMB1,982,973,000 (31 December 2020: RMB1,970,096,000). The interest rate adopted for determining capitalised at borrowing cost for the current period was 3.29%(2020: 3.29%).

As at 30 June 2020 and 31 December 2020, there was no restricted construction in progress of the Group.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Construction in progress (Continued)

(2) Movement of significant projects of construction in progress during the period

	Budget amount	31 December 2020	Current period additions	Transferred to fixed assets	Transferred to Intangible assets	Other reduction	Currency translation differences	30 June 2021	Proportion of project investment to budget (%)	Progress of construction	Cumulative capitalised interest	Current period capitalised interest	Interest Capitalisation rate (%)	Source of funds
Medium deep and ultra deep water drilling platform project	7,723,004	7,394,144	42,198	-	-	-	(75,574)	7,360,768	99.52%	99.52%	1,649,801	16,369	0.29%	Self-funding & bank loan
Raffles H273 and H1293 project	2,326,792	2,277,979	-	-	-	-	(44,049)	2,233,930	99.78%	99.78%	329,785	15,187	2.68%	Self-funding & bank loan
Enric Low temperature plant renovation project	795,055	339,819	173,463	(90,312)	(8,349)	(5,791)	(303)	408,527	100.00%	100.00%	3,387	-	-	Self-funding & bank loan
YZTH factory relocation project	916,080	449,421	96,738	(489,024)	-	-	-	57,135	59.62%	59.62%	-	-	-	Self-funding
Dongguan southern CIMC Fenggang phase 2 project	454,445	280,668	140,418	(68,662)	-	-	-	352,424	92.66%	92.66%	-	-	-	Self-funding
Financial information system construction project	210,419	16,710	36,584	-	-	-	-	53,294	74.39%	74.39%	-	-	-	Self-funding
Raffles shore crane project	93,579	81,327	-	-	-	-	-	81,327	86.91%	86.91%	-	-	-	Bank loan
Financial leasing Maersk 2300TEU container ship project	656,880	63,846	325,097	(365,984)	-	-	(3)	22,956	59.21%	59.21%	-	-	-	Self-funding
TAS Industrial Park Phase III Dormitory project	150,000	58,021	57,066	(903)	-	(255)	-	113,929	75.95%	75.95%	-	-	-	Self-funding
Humadian CIMC Huajun Lighthouse project	125,035	22,084	2,267	(13,890)	-	(14)	-	10,447	19.47%	19.47%	-	-	-	Self-funding
WHVS painting line upgrade project	98,427	22,551	62,196	(6,663)	-	(32)	-	78,052	86.10%	86.10%	-	-	-	Self-funding
Raffles CR600 platform adaptive transformation project	23,611	22,132	-	-	-	-	(220)	21,912	93.74%	93.74%	-	-	-	Self-funding
Dongguan Multimodal Transport building project	23,000	18,483	-	-	-	-	-	18,483	80.36%	80.36%	-	-	-	Bank loan
TCCRC workshop renovation project	37,485	8,005	27,479	-	-	-	-	35,484	94.66%	94.66%	-	-	-	Self-funding
TCCIMC relocation and reconstruction project	159,132	14,984	9,627	-	-	-	-	24,611	26.62%	26.62%	-	-	-	Self-funding
Zhumadian CIMC Huajun production maintenance investment	28,791	6,075	2,579	(6,792)	-	(18)	-	1,844	30.06%	30.06%	-	-	-	Self-funding

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Construction in progress (Continued)

(2) Movement of significant projects of construction in progress during the period (Continued)

	Budget amount	31 December 2020	Current period additions	Transferred to fixed assets	Transferred to Intangible assets	Other reduction	Currency translation differences	30 June 2021	Proportion of project investment to budget (%)	Progress of construction	Cumulative capitalised interest	Current period capitalised interest	Interest Capitalisation rate (%)	Source of funds
Enric workshop construction project	39,618	24,325	15,293	-	-	-	-	39,618	100.00%	100.00%	-	-	-	Self-funding
CIMCNB water-based paint coating line reconstruction and waste treatment project	235,332	14,495	65,277	-	-	-	-	79,772	33.90%	33.90%	-	-	-	Self-funding
CIMCNB Land Project	96,029	1,719	-	-	-	-	-	1,719	98.21%	98.21%	-	-	-	Self-funding
Raffles gate 2 comprehensive office building project	1,395,673	8,163	6,812	-	-	-	-	14,975	1.07%	1.07%	-	-	-	Self-funding
XHCIMCS production line and power facilities renovation	75,870	5,807	28,806	(6,145)	-	-	-	28,468	37.52%	37.52%	-	-	-	Self-funding
Jiangsu Trailer Leasing transportation equipment renovation project	178,301	32,905	23,470	(30,612)	-	-	-	25,763	31.61%	31.61%	-	-	-	Self-funding
Modern logistic Zhenhua project	15,702	14,701	6,673	(1,149)	-	(5,687)	-	14,538	92.59%	92.59%	-	-	-	Self-funding
CIMCSV painting line upgrade	12,175	253	1,230	(905)	-	-	-	578	4.75%	4.75%	-	-	-	Self-funding
QDCRC Plant renovation project	67,497	3,577	26,863	-	-	-	-	30,440	45.10%	45.10%	-	-	-	Self-funding
Jiangmen Vehicle plant renovation project	22,708	1,177	1,041	-	-	-	-	2,218	16.51%	16.51%	-	-	-	Self-funding
Dongguan CIMC vehicles logistics equipment project	1,250	876	-	-	-	-	-	876	70.08%	70.08%	-	-	-	Self-funding
Reefer Trailer Polar bear project	156,598	145,816	6,435	(150,800)	-	-	(1,319)	132	100.00%	100.00%	-	-	-	Self-funding
Yangshan Logistics Longteng Plan Final Assembly Model Project	173,541	28,931	62,242	(75,431)	-	(1,317)	-	14,425	52.54%	52.54%	-	-	-	Self-funding
Chuzhou New Material Plant Land Project	31,260	31,260	-	(31,260)	-	-	-	-	100.00%	100.00%	-	-	-	Self-funding
Tiezhongbao new plant preparation project	68,000	20,390	3,730	-	-	-	-	24,120	35.47%	35.47%	-	-	-	Self-funding
CIMC Lingyu Production Line Upgrade Project	70,107	5,778	2,803	(5,250)	-	-	-	3,331	89.64%	89.64%	-	-	-	Self-funding

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Construction in progress (Continued)

(2) Movement of significant projects of construction in progress during the period (Continued)

	Budget amount	31 December 2020	Current period additions	Transferred to fixed assets	Transferred to Intangible assets	Other reduction	Currency translation differences	30 June 2021	Proportion of project investment to budget (%)	Progress of construction	Cumulative capitalised interest	Current period capitalised interest	Interest Capitalisation rate (%)	Source of funds
Vanguard-Trenton & Monon GA Plant	94,068	6,564	7,737	(2,217)	-	-	(67)	12,017	51.61%	51.61%	-	-	-	Self-funding
CIMCDG Special Vehicle Workshop 2 Project	66,070	56	36,420	(20,295)	-	(378)	-	15,803	23.92%	23.92%	-	-	-	Self-funding
CIMCNB new plant project	156,093	-	47,522	-	-	-	-	47,522	30.44%	30.44%	-	-	-	Self-funding
CIMCNB Daiyi Reactor Project	20,880	214	12,375	-	-	-	-	12,589	60.29%	60.29%	-	-	-	Self-funding
Hengyang new material land project	32,334	-	32,334	-	-	-	-	32,334	100.00%	100.00%	-	-	-	bank loan
Shanghai Baowei production line upgrade project	177,973	28,487	66,489	-	-	(425)	-	94,551	53.13%	53.13%	-	-	-	Self-funding
CIMCTJ production line upgrade project	77,337	9,881	41,628	(8,954)	-	-	-	42,555	55.03%	55.03%	-	-	-	Self-funding
Taicang Special Equipment production line upgrade project	421,866	7,320	132,147	-	-	-	-	139,467	33.06%	33.06%	-	-	-	Self-funding
CIMC Thailand Durian Phase 2 project	154,305	-	154,305	-	-	-	(4,770)	149,535	96.91%	96.91%	-	-	-	Self-funding
Others		489,809	98,297	(126,473)	-	-	(472)	461,161			-	-	-	Self-funding
Total		11,958,753	1,855,641	(1,501,721)	(8,349)	(13,917)	(126,777)	12,163,630			1,982,973	31,556		

(3) Impairment provisions of construction in progress

	Impairment provisions of construction in progress				30 June 2021
	31 December 2020	Current period additions	Current period decrease	Currency translation differences	
Medium deep and ultra deep water drilling platform project	1,450,382	-	-	(18,799)	1,431,583
Raffles H273, H1284 and H1293 Project	674,737	-	-	(6,538)	668,199
Others	305	-	-	-	305
Total	2,125,424	-	-	(25,337)	2,100,087

From January to June 2021, the Group has not recognized impairment of construction in progress (from January to June 2020: Nil) and a provision of RMB0 has been transferred to fix assets (from January to June 2020: Nil).

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. 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 2020	4,380,769	2,740,572	137,103	468,624	339,889	111,421	102,235	8,280,613
Business combination	12,811	1	-	-	-	-	-	12,812
Additions	42,045	67,253	-	-	-	-	-	109,298
Turned into investment properties	(5,521)	-	-	-	-	-	-	(5,521)
Other reduction	(38,105)	(3,433)	-	-	-	-	-	(41,538)
Currency translation differences	(867)	(17,053)	(1,547)	491	(99)	(210)	-	(19,285)
30 June 2021	4,391,132	2,787,340	135,556	469,115	339,790	111,211	102,235	8,336,379
Accumulated amortization								
31 December 2020	926,836	1,632,762	32,730	351,470	265,583	35,446	16,447	3,261,274
Additions	58,379	117,332	-	18,514	5,590	870	1,351	202,036
Turned into investment properties	(436)	-	-	-	-	-	-	(436)
Other reduction	(29,392)	(1,172)	-	-	-	-	-	(30,564)
Currency translation differences	(851)	(5,267)	(366)	255	(99)	(200)	-	(6,528)
30 June 2021	954,536	1,743,655	32,364	370,239	271,074	36,116	17,798	3,425,782
Impairment provisions								
31 December 2020	-	14,088	104,373	36,436	52,264	-	-	207,161
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Currency translation differences	-	28	(1,181)	16	-	-	-	(1,137)
30 June 2021	-	14,116	103,192	36,452	52,264	-	-	206,024
Carrying amount								
30 June 2021	3,436,596	1,029,569	-	62,424	16,452	75,095	84,437	4,704,573
31 December 2020	3,453,933	1,093,722	-	80,718	22,042	75,975	85,788	4,812,178

From January to June 2021, amortization expenses of intangible assets amounted to RMB202,036,000 (January to June 2020: RMB179,181,000).

NOTES TO THE FINANCIAL STATEMENTS

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Intangible assets and development expenditures (Continued)

(2) As at 30 June 2021, intangible assets with pending certificates of ownership are as follows:

	Carrying amount in RMB	Reasons for unsettlement
SCIMCEL Tangkeng land use right	52,410	in progress

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

(3) As at 30 June 2021, the restricted intangible assets of the Group amounted to RMB0 (31 December 2020: RMB5,474,000), referring to Note IV.27.

(4) As at 30 June 2021, the intangible asset with indefinite useful lives was Gas station Franchise and a trademark right, which amounted to RMB117,974,000 (31 December 2020: RMB120,030,000).

(5) Development expenditures are as follows:

	31 December 2020	Current period additions	Recognised as Intangible assets	30 June 2021
Project on vehicle technology	49,211	4,724	–	53,935
Others	11,554	12,065	–	23,619
	60,765	16,789	–	77,554

From January to June 2021, the Group's development expenditures amounted to RMB952,135,000 (January to June 2020:RMB603,203,000): among which RMB935,346,000 (January to June 2020:RMB589,085,000) was included in the current profits and losses, and RMB16,789,000 was capitalised as intangible assets in current period (January to June 2020:RMB14,118,000). From January to June 2021, intangible assets transferred from development expenditures within the Group accounted for 0.00% (2020: 1.13%) of the total book value of intangible assets.

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021
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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Right-of-use assets

	Plants and buildings	Land use rights	Offshore engineering equipment	Machinery and equipment	Motor vehicles	Office & other equipment	Total
Original cost							
31 December 2020	513,942	398,821	79,529	78,183	3,220	49,651	1,123,346
additions from lease contract	145,963	22,017	–	12,238	22,890	1,328	204,436
Decrease in current period	(6,992)	(332)	–	–	(2,096)	(255)	(9,675)
Currency translation differences	(345)	(3,506)	(634)	(78)	(101)	(9)	(4,673)
30 June 2021	652,568	417,000	78,895	90,343	23,913	50,715	1,313,434
Accumulated depreciation							
31 December 2020	198,985	87,036	10,795	29,109	1,535	10,842	338,302
Depreciation recognized in current period	92,961	29,682	3,946	10,332	2,248	2,100	141,269
Decrease in current period	(5,378)	(226)	–	–	(860)	(242)	(6,706)
Currency translation differences	(160)	(807)	(7)	(19)	(33)	(3)	(1,029)
30 June 2021	286,408	115,685	14,734	39,422	2,890	12,697	471,836
Net book value							
30 June 2021	366,160	301,315	64,161	50,921	21,023	38,018	841,598
31 December 2020	314,957	311,785	68,734	49,074	1,685	38,809	785,044

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Goodwill

	31 December 2020	Current period additions	Current period decrease	Currency translation differences	30 June 2021
Enric	635,513	–	–	–	635,513
Vehicles UK	344,677	–	–	2,210	346,887
TGE SA	174,417	–	–	(4,835)	169,582
Modern Logistic	135,309	–	–	–	135,309
C&C Trucks	132,145	–	–	–	132,145
Bassoe	125,806	–	–	–	125,806
Shenyang Jietong	116,726	–	–	–	116,726
Pteris	108,196	–	–	–	108,196
Hashenleng	101,443	–	–	–	101,443
Shanghai Jindun	102,998	–	–	–	102,998
CIMC Liangcai	52,380	–	–	–	52,380
CIMC Shichang	–	49,836	–	–	49,836
Others	649,274	48,461	(45)	(1,833)	695,857
Sub-total	2,678,884	98,297	(45)	(4,458)	2,772,678
Less: impairment provisions					
Bassoe	125,806	–	–	–	125,806
C&C Trucks	132,145	–	–	–	132,145
Hashenleng	101,443	–	–	–	101,443
TGE SA	50,343	–	–	–	50,343
Modern Logistic	4,392	–	–	–	4,392
Others	87,329	–	–	(1,196)	86,133
Sub-total	501,458	–	–	(1,196)	500,262
Net value	2,177,426	98,297	(45)	(3,262)	2,272,416

NOTES TO THE FINANCIAL STATEMENTS

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Goodwill (Continued)

(1) Impairment test of goodwill allocated to asset groups

All goodwill belongs to the Group has been allocated to relevant asset groups or combination of asset groups on the purchase date. There is no change in the allocation of goodwill for the period from January 1 2021 to June 30 2021. According to the Segment Reporting (Note XIII), the allocation is summarized as follows:

	30 June 2021	31 December 2020
Containers manufacturing asset group	128,836	128,836
Road transportation vehicles asset group	446,887	422,276
Energy, chemical and liquid food equipment asset group	972,834	953,040
Logistics services asset group	180,753	130,917
Heavy truck asset group	4,575	4,575
Airport facilities and logistics, fire safety and rescue asset group	379,974	379,974
Recycled load asset group	52,335	52,380
Asset groups with insignificant allocation percentage of goodwill group	106,222	105,428
	2,272,416	2,177,426

23. Long-term prepaid expenses

	31 December 2020	Business combination	Current period additions	Current period amortisation	Currency translation differences	30 June 2021
Yard facility expenses	4,629	-	2,031	(1,346)	-	5,314
Project insurance and commission	16,850	-	1,431	(553)	(3)	17,725
Drilling platform mobilization fee (i)	364,152	-	-	(50,650)	(2,940)	310,562
Improvements to Right-of-use asset	41,518	-	4,290	(5,616)	-	40,192
Improvement of engineering vessel	93,963	-	24,201	(12,220)	(794)	105,150
Others	37,270	347	64,435	(37,358)	(280)	64,414
Sub-total	558,382	347	96,388	(107,743)	(4,017)	543,357
Less: impairment provisions	-	-	-	-	-	-
	558,382	347	96,388	(107,743)	(4,017)	543,357

(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)

24. Deferred tax assets and deferred tax liabilities

(1) The offsetting balances of deferred tax assets or liabilities and corresponding deductible or taxable temporary differences

	30 June 2021		31 December 2020	
	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)
Deferred tax assets:				
Provision for asset impairment	1,833,343	426,413	1,782,521	414,661
Accrued liability	805,832	164,443	799,129	162,998
Employee benefits payable	2,290,319	481,414	2,049,481	425,257
Accrued expenses	793,389	160,113	743,748	150,614
Deductible losses	2,526,000	655,300	3,496,463	867,074
Fair value changes of derivative financial instruments	78,733	18,284	346	52
Depreciation of right-of-use assets	4,905	735	3,749	660
Intra-group unrealised revenue	62,699	15,676	17,367	2,784
Others	112,024	26,887	754,040	91,625
Sub-total	8,507,244	1,949,265	9,646,844	2,115,725
Including:				
Amount expected to be reversed within 1 year (inclusive)		237,417		425,309
Amount expected to be reversed over 1 year		1,711,848		1,690,416
		1,949,265		2,115,725
Deferred tax liabilities:				
Fair value changes of derivative financial instruments	(412,108)	(92,698)	(551,003)	(121,544)
Fair value changes of Investment properties	-	-	(595,198)	(144,930)
Revaluation gain through combination	(609,973)	(106,044)	(781,184)	(148,222)
Debt restructuring income	(454,948)	(113,737)	(454,948)	(113,737)
Gross profit of overseas projects (pay tax after completion)	(588,733)	(140,662)	(614,182)	(202,680)
Accelerated depreciation of long-term assets	(1,120,499)	(267,714)	(1,105,767)	(264,473)
Non-resident foreign companies pay dividends to the Mainland	(333,117)	(83,279)	(199,037)	(49,759)
Enterprise relocation income	(12,761,554)	(3,190,389)	(12,761,554)	(3,190,389)
Gross profit of property sales (pay tax after billing)	-	-	-	-
Interest capitalised	-	-	-	-
Others	(2,320)	(581)	(312,287)	(87,964)
Sub-total	(16,283,252)	(3,995,104)	(17,375,160)	(4,323,698)
Including:				
Amount expected to be reversed within 1 year (inclusive)		(208,770)		(266,474)
Amount expected to be reversed over 1 year		(3,786,334)		(4,057,224)
		(3,995,104)		(4,323,698)

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

(2) Unrecognized deferred tax assets

	30 June 2021	31 December 2020
Deductible losses	2,143,709	2,742,468
Impairment losses of timber concession rights	24,705	24,705
Others	146,431	221,270
	2,314,845	2,988,443

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

	30 June 2021	31 December 2020	Note
2021	83,997	310,266	
2022	258,580	135,683	
2023	218,671	175,592	1
2024	209,150	185,113	
After 2024	12,544,602	11,452,504	
	13,314,998	12,259,158	

Note 1: As at 30 June 2020 and 2021, 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, Germany and Belgium can be offset with future profit indefinitely; deductible tax losses generated from the Netherlands can be offset in the subsequent six years.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

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

	30 June 2021		31 December 2020	
	Offsetting amount	Offsetting balances	Offsetting amount	Offsetting balances
Deferred tax assets	(105,608)	1,843,657	(441,396)	1,674,329
Deferred tax liabilities	105,608	(3,889,496)	441,396	(3,882,302)

As at 30 June 2021, the Group was subject to an income tax on the difference of tax rates if its subsidiaries in Hong Kong and overseas decide to distribute dividends to the shareholders in mainland China. The temporary difference arising from the undistributed profits of such subsidiaries was approximately RMB2,502,929,000 (31 December 2020: RMB2,037,011,000). Since the Group can control the dividend distribution policy of its subsidiaries and has decided not to distribute dividends in the foreseeable future, the deferred income tax liabilities on such undistributed profits was not recognized.

The Group had no unrecognized deferred tax liabilities at the end of the current period other than the mentioned above.

25. Other non-current assets

	30 June 2021	31 December 2020
Prepayment for equipment	11,494	49,516
Prepayment for land use right	–	–
Prepayment for construction	–	9,140
Others	4,219	10,322
	15,713	68,978

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

26. Provision for asset impairment

	1 January 2021	Current period additions	Current period decrease		Current Period decrease due to disposal of subsidiary	Currency translation differences	30 June 2021
			Reversal	Write-off			
Provision for bad debts of notes receivables	8,893	1,242	(7,634)	(671)	-	(10)	1,820
Provision for bad debts of accounts receivable financing	2,576	1,666	(989)	(786)	-	-	2,467
Provision for bad debts of accounts receivables	1,208,955	131,652	(42,208)	(23,879)	-	3,307	1,277,827
Provision for bad debts of other receivables	195,618	11,914	(2,279)	(1,064)	-	4,755	208,944
Provision for impairment of non-current assets due within one year	888,235	78,997	(27,614)	-	-	(379)	939,239
Provision for impairment of long-term receivables	451,372	68,894	(64,147)	-	-	(23)	456,096
Sub-total	2,755,649	294,365	(144,871)	(26,400)	-	7,650	2,886,393
Provision for bad debts of advances to suppliers	40,484	-	-	(322)	-	-	40,162
Provision for impairment of inventories and impairment of costs incurred to fulfil a contract	741,293	59,374	(13,174)	(46,689)	(26,826)	(3,710)	710,268
Impairment provisions of contract assets	33,419	5,678	(209)	-	-	(1,288)	37,600
Impairment provisions of long-term equity investments	152,500	-	-	-	-	-	152,500
Impairment provisions of fixed assets	4,891,542	59,420	-	(79)	-	(33,300)	4,917,583
Impairment provisions of construction in progress	2,125,424	-	-	-	-	(25,337)	2,100,087
Impairment provisions of intangible assets	207,161	-	-	-	-	(1,137)	206,024
Impairment provisions of goodwill	501,458	-	-	-	-	(1,196)	500,262
Sub-total	8,693,281	124,472	(13,383)	(47,090)	(26,826)	(65,968)	8,664,486
Total	11,448,930	418,837	(158,254)	(73,490)	(26,826)	(58,318)	11,550,879

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)

27. Restricted assets

As at 30 June 2021, assets with restrictions in their ownership are as follows:

	Note	31 December 2020	Current period additions	Current period decrease	30 June 2021
- Cash at bank and on hand	IV.1	1,371,175	185,760	(276,456)	1,280,479
- Notes receivables	IV.4	22,326	81,153	-	103,479
- Receivables financing	IV.6	265,284	-	(230,573)	34,711
- Long-term receivables	IV.15	7,726,484	-	(4,864,372)	2,862,112
- Fixed assets	IV.18	75,124	-	(41,027)	34,097
- Intangible assets	IV.20	5,474	(5,474)	-	-
Total		9,465,867	261,439	(5,412,428)	4,314,878

Among them, the restricted monetary funds are the deposit and the money deposited with the People's Bank of China by the subsidiary financial company. The notes receivable are used for pledge of letter of guarantee and notes pool pledge. The receivable financing is an endorsed bank acceptance bill that is not yet due and with recourse. Long-term receivables are used for mortgage loans. Restricted fixed assets are collateral for long-term payables and real estate with restricted sales as agreed in the contract. Restricted intangible assets are collateral for bank loans.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

28. Short-term borrowings

	Note	30 June 2021	31 December 2020
Guaranteed	(a)		
USD		4,941,496	2,973,853
RMB		540,994	494,683
EUR		704,661	831,237
Sub-total		6,187,151	4,299,773
Pledged			
RMB		-	49,710
Mortgaged			
RMB		-	1,500
Unsecured			
USD		867,789	211,379
EUR		47,235	76,814
GBP		497,792	365,475
RMB		970,100	3,243,431
AUD		307	326
HKD		299,549	134,662
Others		19,306	22,652
Sub-total		2,702,078	4,054,739
Rediscounted notes			
RMB		53,012	10,979
Discounted notes			
RMB		-	-
		8,942,241	8,416,701

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

28. Short-term borrowings (Continued)

- (a) As at 30 June 2021, the short-term guaranteed borrowings of the Group consisted of the followings: subsidiary Fortune had loans of EUR24,500,000 (equivalent to RMB188,308,000) and USD695,000,000 (equivalent to RMB4,489,664,000) guaranteed by subsidiary CIMC Hong Kong; subsidiary Ziegler had a loan of EUR65,369,000 (equivalent to RMB502,448,000) guaranteed by subsidiary CIMC Hong Kong; subsidiary CIMC Air Marrel had a loan of EUR1,800,000 (equivalent to RMB13,905,000) guaranteed by French Government; subsidiary Intermodal Equipment had a loan of USD5,000,000 (equivalent to RMB32,300,000) guaranteed by subsidiary CIMC Vehicle Investment Holdings Co., Ltd. and CIMC USA, INC.; subsidiary VANGUARD had a loan of USD15,000,000 (equivalent to RMB96,899,000) guaranteed by subsidiary CIMC Vehicle Investment Holdings Co., Ltd. and CIMC USA, INC.; subsidiary Huajun Casting had a loan of RMB50,054,000 guaranteed by subsidiary CIMC Vehicles; subsidiary LSDYV had a loan of RMB21,830,000 guaranteed by subsidiary CIMC Vehicles; subsidiary C&C Trucks Marketing had a loan of RMB150,000,000 guaranteed by the Company; subsidiary C&C Trucks had a loan of RMB169,110,000 guaranteed by the Company; subsidiary CIMC Financing Leasing Company had a loan of USD20,000,000 (equivalent to RMB129,199,000) guaranteed by the Company; subsidiary Yantai Raffles had loans of RMB100,000,000 and USD29,944,000 (equivalent to RMB193,434,000) guaranteed by subsidiary Offshore (Singapore); subsidiary Tongchuang Pujiang had a loan of RMB10,000,000 guaranteed by subsidiary Shenzhen CIMC Tongchuang Supply Chain Co., Ltd.; subsidiary Jiangsu Trailer Leasing had a loan of RMB20,000,000 guaranteed by subsidiary CIMC Vehicles; subsidiary Enric had a loan of RMB20,000,000 guaranteed by the Company.
- (b) As at 30 June 2021, the interest rate of short term borrowing ranged from 0.34% to 4.85% (31 December 2020: 1.11% to 4.90%).
- (c) As at 30 June 2021, there was no short-term borrowings owed to shareholders holding more than 5% (inclusive) of the voting rights of the Company.

29. Notes payables

	30 June 2021	31 December 2020
Bank acceptance notes	4,961,331	3,365,988
Trade acceptance notes	713,261	463,522
Total	5,674,592	3,829,510

The above notes payables are due within one year.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. Accounts payables

	30 June 2021	31 December 2020
Due to raw materials suppliers	15,927,879	10,897,931
Project contract charges	259,528	497,090
Integrated logistics service charges	1,602,448	1,080,937
Due to equipment suppliers	781,160	419,613
Project procurement charges	342,254	32,956
Processing charges	191,458	171,207
Transportation charges	118,008	123,504
Others	235,917	223,836
	19,458,652	13,447,074

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

	30 June 2021	31 December 2020
Within 1 year (inclusive)	18,942,671	12,729,871
1 to 2 years (inclusive)	215,060	346,808
2 to 3 years (inclusive)	68,416	170,375
Over 3 years	232,505	200,020
	19,458,652	13,447,074

As at 30 June 2021, accounts payables aged over 1 year with a carrying amount of RMB515,981,000 (31 December 2020: RMB717,203,000) were mainly payables related to offshore engineering business. Since the production cycle of the offshore engineering project, was usually more than one year, the payables have not yet been settled.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. Accounts payables (Continued)

- (2) As at 30 June 2021, 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 2021		31 December 2020	
		Amount	% of total balance	Amount	% of total balance
Shaanxi Heavy Duty Automobile	Minority shareholders of subsidiaries	217,792	1.12%	–	–
Y&C Engine	Joint venture	168,191	0.86%	103,944	0.77%
Jiangsu Wanjin Technology	Joint venture	6,185	0.03%	37,349	0.28%
Japan Asahi Trading Co., Ltd. ("Japan Asahi Trading")	Minority shareholders of subsidiaries	–	–	24,512	0.18%
Gasfin Investment S.A.	Minority shareholders of subsidiaries	19,969	0.10%	–	–
Nantong Zhongji Yike New Material Development Co., Ltd.	Associates	17,535	0.09%	18,639	0.14%
Qingchen bamboo	Associates	–	–	12,296	0.09%
Tianjin Binhai Cosco Container Logistics Co., Ltd.	Associates	6,574	0.03%	–	–
Nantong Xinyang	Associates	–	–	4,448	0.03%
Tianzhu (Shanghai) International Freight Agency Co., Ltd.	Associates	4,421	0.02%	3,744	0.03%
Ocean En-Tech	Associates	3,095	0.02%	3,032	0.02%
Ningbo Mediterranean	Associates	3,028	0.02%	2,903	0.02%
Xuzhou CIMC Wood	During the same period last year, it was a joint venture	–	–	1,522	0.01%
Florens Asset Management (USA) Limited ("Florens Asset")	Subsidiaries of former significant shareholders	–	–	999	0.01%
Qingdao Port Lianhua	Associates	404	0.00%	520	0.00%
Ningguo Guangshen	It was an associate between January 2020 and August 2020	–	–	126	0.00%
Zhejiang Xinlong	Associates	101	0.00%	–	–
CIMC Industry & City and its subsidiaries	Associates	978	0.01%	129,111	0.96%
Others		4,582	0.02%	612	0.00%
		452,855	2.33%	343,757	2.56%

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31. Advances from customers

	30 June 2021	31 December 2020
Rental advances	17,070	4,070

As at 30 June 2021, there was no advances from customers with an age of more than one year in the Group (30 June 2020: Nil).

As at 30 June 2021, there was no advances from customers owed to shareholders holding more than 5% (inclusive) of the voting rights or related parties.

32. Contract liabilities

	30 June 2021	31 December 2020
Advances for goods	4,959,015	4,660,046
Advances for property	1,495,627	1,343,185
Advances for trade and logistics	120,303	96,493
Advances for construction	474	2,041
	6,575,419	6,101,765

As at 30 Jun 2021, 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 2021		31 December 2020	
		Amount	% of total balance	Amount	% of total balance
Zhoushan Changhong	Associate	338,150	5.14%	26,674	0.44%
LiHua Energy	Associate	159	0.00%	159	0.00%
		338,309	5.14%	26,833	0.44%

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

33. Employee benefits payable

	Note	30 June 2021	31 December 2020
Short-term wages	(1)	3,889,277	3,327,366
Defined contribution plans	(2)	59,113	33,139
Dismissal welfare	(3)	4,137	5,887
		3,952,527	3,366,392

(1) Short-term wages

	31 December 2020	Current period additions	Current period decrease	Currency translation differences	30 June 2020
Wages and salaries, bonuses, allowances and subsidies (i)	2,905,088	4,439,661	(3,959,946)	(5,901)	3,378,902
Profit-sharing and senior management bonus (ii)	227,309	100,000	(61,321)	-	265,988
Housing funds	5,360	124,732	(123,711)	(12)	6,369
Labor union funds and employee education funds	99,475	34,430	(26,254)	(250)	107,401
Social security contributions and others	19,490	128,391	(131,308)	(89)	16,484
Including: Medical insurance	17,024	117,292	(120,155)	(89)	14,072
Work injury insurance	1,462	7,675	(7,625)	-	1,512
Maternity insurance	1,004	3,424	(3,528)	-	900
Other short-term wages	70,644	761,226	(718,019)	282	114,133
	3,327,366	5,588,440	(5,020,559)	(5,970)	3,889,277

(i) 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.

(ii) Profit-sharing and senior management bonus is determined on the assessment of certain key performance index. The above bonus is proposed by Chief Executive Officer of the Group and the payment is subject to review and approval by chairman and vice chairman of the board of the Group. The balance was the unpaid Profit-sharing and senior management bonus accrued in prior years.

On June 1, 2020, The general meeting of shareholders in 2019 reviewed and approved "Proposal on the operation of the bonus balance funds of the profit sharing plan". After setting up a trust plan with the bonus balance of the profit sharing plan and injecting capital into the partnership, the partnership will use it to purchase the company's H shares in the secondary market. The fund size of the trust plan (Phase 1) is RMB200 million, with a duration of 5 years.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

33. Employee benefits payable (Continued)

(2) Defined contribution plans

	31 December 2020	Current period additions	Current period decrease	Currency translation differences	30 June 2021
Basic pensions	31,096	249,058	(222,479)	(127)	57,548
Unemployment insurance	1,799	6,711	(7,037)	-	1,473
Enterprise annuities (i)	244	4,265	(4,415)	(2)	92
	33,139	260,034	(233,931)	(129)	59,113

- (i) 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.

(3) Dismissal welfare

	30 June 2021	31 December 2020
Others (i)	4,137	5,887

- (i) As at 30 June 2021, the Group provide other compensation amounting to RMB4,137,000 to compensate for the termination of employment relationship.

34. Taxes payable

	30 June 2021	31 December 2020
Value-added-tax payable	405,218	384,864
Corporate income tax payable	1,486,139	827,806
Withholding individual income tax	44,921	62,018
City maintenance and construction tax payable	55,380	37,292
Educational surcharge payable	39,406	26,366
Land appreciation tax	17,676	17,647
Others	133,133	127,216
	2,181,873	1,483,209

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

35. Other payables

(1) Other payables

	Note	30 June 2021	31 December 2020
Advance received		2,282,729	2,290,460
Accruals		3,215,042	3,041,590
Equity incentive	IV.35(2)	139,719	139,719
Amount due to minority shareholders		67,984	44,458
Quality guarantees		820,693	669,333
Transportation expenses		131,769	249,845
Restructuring provisions		61,351	63,076
Restricted stock repurchase		33,005	68,360
Equipment or land use rights		285,902	272,300
Professional and training fees		44,958	48,716
External commission		18,463	8,985
Insurances		3,688	27,170
Housing maintenance fees		–	1,625
Royalties		–	37
Interest Payable		17,571	5,180
Interest of short-term borrowings		9,087	5,180
Interest of corporate bonds		168	–
Interest of long-term borrowings		8,316	–
Dividends payable		1,097,188	55,959
Others		114,296	102,783
Total		8,334,358	7,089,596

- (2) The Equity incentive payables are mainly the payable of CIMC Safeway Technologies Co., Ltd (“CIMC Safeway”), a subsidiary of the Group (Note IX.2).
- (3) As at 30 June 2021, other payables aged more than one year are mainly unsettled quality guarantee funds, deposits, etc.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

35. Other payables (Continued)

- (4) As at 30 June 2021, 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 and minority shareholders are as follows:

Company name	Relationship with the Group	30 June 2021		31 December 2020	
		Amount	% of total balance	Amount	% of total balance
LiHua Energy	Associate	–	–	33,605	0.47%
OOS International B.V.	Associate	4,235	0.05%	18,043	0.25%
Shandong CIMC Environmental	Joint venture	–	–	12,355	0.17%
CIMC Industry & City and its subsidiaries	Associate	173,201	2.08%	7,151	0.10%
Zhongyi Xinwei	Associate	–	–	5,240	0.07%
Ningbo Mediterranean	Associate	–	–	4,000	0.06%
NKY Zhenhua	Joint venture	–	–	1,516	0.02%
Y&C Engine	Joint venture	100	0.00%	103	0.00%
Tianjin Binhai COSCO Container Logistics Co., Ltd.	Associate	16,980	0.20%	–	–
Other related parties		18,944	0.23%	746	0.01%
Total		213,460	2.56%	82,759	1.17%

36. Provisions

	Note	31 December 2020	Current period additions	Current period payment	Current period reversal	Currency translation differences	30 June 2021
Product warranties	(1)	1,060,950	273,812	(80,097)	(126,380)	(7,279)	1,121,006
Loss of pending actions		57,226	–	–	(5,636)	–	51,590
Relocation and liquidation compensation	(2)	186,821	–	(11,735)	–	–	175,086
Loss contract	(3)	32,420	8,322	(8,501)	–	(314)	31,927
Others	(4)	55,428	34,592	(9,391)	(10,356)	(1,374)	68,899
		1,392,845	316,726	(109,724)	(142,372)	(8,967)	1,448,508

(1) The Group provides after-sales repair warranty to the customers, ranging from two to seven years for containers, one year for trailers, one to seven years for tank equipments, one to two years for airport ground facilities and one year for offshore business after delivery of vessels. The Group will provide repair and maintenance services in accordance with sales contracts during the warranty period in the event of any non-accidental breakdown or quality problems. The balance of "Provisions – Warranties for product quality" represents the Group's estimated obligation for such warranties of products sold out during the year and in the previous fiscal years.

(2) It is mainly the relocation and liquidation compensation that accrued by SCIMCEL and CIMC Burg B.V., the subsidiaries of the Group due to relocation and liquidation.

(3) As the construction cost exceeds the price agreed in the contract, it is expected that a loss will be incurred for some of them. Thus, Yantai Raffles accrued the estimated provision.

(4) CIMC Vehicles and C&C Trucks Marketing, two of the subsidiaries, provides the guarantee for the banking loans by which the customers buy vehicle products from CIMC Vehicles and C&C Trucks Marketing. CIMC Vehicles and C&C Trucks Marketing would accrue a provision for the ending balance of the loan guarantee, considering the credit quality.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. Current portion of non-current liabilities

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

	Note	30 June 2021	31 December 2020
Current portion of long-term borrowings	IV.39		
– Unsecured		3,000,350	2,055,378
– Mortgaged		386,765	628,848
– Guaranteed		2,725,452	9,623,878
– Pledged		46,186	50,000
		6,158,753	12,358,104
Long-term payables due within one year		12,335	16,884
Current portion of lease liabilities	IV.41	183,213	192,511
Debentures payable due within one year	IV.40	4,077,650	2,017,874
Current portion of other non-current liabilities	IV.43	–	–
		10,431,951	14,585,373

38. Other current liabilities

	30 June 2021	31 December 2020
VAT to be sold out (i)	216,273	394,912
Others	26,716	15,800
	242,989	410,712

(i) Other non-current liabilities are mainly the amount of value-added tax in the Group's advance payment.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

39. Long-term borrowings

	Note	30 June 2021	31 December 2020
Bank borrowings			
– Unsecured		8,316,828	7,808,027
– Mortgaged	(i)	1,614,330	1,772,247
– Guaranteed	(ii)	18,295,352	22,048,327
– Pledged	(iii)	377,744	291,829
		28,604,254	31,920,430
Less: current portion of long-term borrowings			
– Unsecured		(3,000,350)	(2,055,378)
– Mortgaged	(i)	(386,765)	(628,848)
– Guaranteed	(ii)	(2,725,452)	(9,623,878)
– Pledged	(iii)	(46,186)	(50,000)
		(6,158,753)	(12,358,104)
		22,445,501	19,562,326

(i) As at 30 June 2021, the Group's long-term mortgaged borrowings were comprised of the followings: Subsidiary CIMC Financing and Leasing borrowed USD249,892,000 (equivalent to RMB1,614,330,000) from the bank, using the contractual object of its finance lease as collateral, and an amount of USD59,869,000 (equivalent to RMB386,765,000) will expire within one year;

(ii) As at 30 June 2021, the Group's long-term guaranteed borrowings were comprised of the followings: The guaranteed loan of subsidiary CIMC Financing and Leasing guaranteed by CIMC Hong Kong amounted to USD20,661,000 (equivalent to RMB133,472,000); the guaranteed loan of subsidiary Jiangsu Trailer Leasing transportation guaranteed by CIMC Vehicles amounted to RMB101,968,000; the guaranteed loan of subsidiary C&C Trucks guaranteed by the Company amounted to RMB735,740,000; the guaranteed loan of subsidiary Eric guaranteed by the Company amounted to RMB10,000,000; the guaranteed loan of subsidiary Fortune amounted to USD398,250,000 (equivalent to RMB2,572,674,000) which was guaranteed by CIMC Hong Kong, of which the guaranteed loan that expire within one year were USD120,000,000 (equivalent to RMB775,193,000); the guaranteed loan of subsidiary Fortune amounted to USD299,900,000 (equivalent to RMB1,937,340,000) which was guaranteed by the Company; the guaranteed loan of subsidiary Fortune amounted to USD1,982,083,000 (equivalent to RMB12,804,158,000) which was guaranteed by the Company and CIMC Hong Kong, of which the guaranteed loan that expire within one year were USD2,000,000 (equivalent to RMB12,919,000).

The new guaranteed borrowings of the subsidiary, Fortune, occurred in this period include the guaranteed loan of USD500,000,000 (equivalent to RMB3,230,000,000.00) drawn and incurred under the FACILITY AGREEMENT relating to certain US\$500,000,000 Term Loan Facility signed on 17 June 2021, by Fortune as the Borrower, and BANK OF CHINA (HONG KONG) LIMITED, BANK OF COMMUNICATIONS (HONG KONG) LIMITED, BANK OF COMMUNICATIONS CO., LTD. (ACTING THROUGH ITS OFFSHORE BANKING UNIT), CHINA CONSTRUCTION BANK (ASIA) CORPORATION LIMITED, CHINA MERCHANTS BANK CO., LTD. (ACTING THROUGH ITS OFFSHORE BANKING CENTRE), INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED, HONG KONG BRANCH as the Mandated Lead Arrangers and the Original Lenders, and BANK OF CHINA (HONG KONG) LIMITED as the Agent Bank, and the Company and CIMC Hong Kong as the guarantor with joint and several liability.

(iii) As at 30 June 2021, the Group's long-term pledged borrowing was subsidiary China Fire Safety borrowed RMB377,744,000 from bank with 60% equity of its subsidiary Shenyang Jietong and 100% equity of its subsidiary Shanghai Jindun as collateral, of which the pledged loan that expire within one year were RMB46,186,000 (As at 31 December 2020, the Group's long-term pledged borrowing was subsidiary China Fire Safety borrowed RMB291,829,000 from bank with 60% equity of its subsidiary Shenyang Jietong as collateral, of which the pledged loan that expire within one year were RMB50,000,000).

(1) As at 30 June 2021, 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. (2020: Nil).

(2) As at 30 June 2021, the interest rate of long-term borrowings ranged from 1.20% to 6.87% (31 December 2020: 1.20% to 6.87%).

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

40. Debentures payable

	Note	31 December 2020	Issued this period	Interest accrued at face value	Premium and discount amortization	Repaid this period	30 June 2021
Medium-term notes	(1)	6,091,832	–	119,801	–	(81,000)	6,130,633
Corporation bonds	(2)	2,015,528	–	36,300	–	–	2,051,828
		8,107,360	–	156,101	–	(81,000)	8,182,461
Less: debentures payable due within one year							(4,077,650)
							4,104,811

(1) Medium-term notes:

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

(i) The Company issued medium-term notes (MTN) with amount of RMB2 billion on 17 October 2018; with par value and issue price of RMB100 respectively per note and fixed interest rate of 4.29% per annum. Interest is to be paid on 17 October each year in the arrears until redemption and par value to be paid on 17 October 2021. The notes are unsecured and targets institutional investors in the national inter-bank market. As of 30 June 2021, the bond principal and interest payable by the Group within one year is RMB2,060,775,000, which is listed as non-current liabilities due within one year (Note IV.37).

(ii) The Company issued medium-term notes (MTN) with amount of RMB2 billion on 15 April 2019; with par value and issue price of RMB100 respectively per note and fixed interest rate of 4.05% per annum. Interest is to be paid on 15 April each year in the arrears until redemption and par value to be paid on 15 April 2022. The notes are unsecured and targets institutional investors in the national inter-bank market. As of 30 June 2021, the bond principal and interest payable by the Group within one year is RMB2,016,875,000, which is listed as non-current liabilities due within one year (Note IV.37).

(iii) The Company issued medium-term notes (MTN) with amount of RMB2 billion on 10 October 2019; with par value and issue price of RMB100 respectively per note and fixed interest rate of 3.64% per annum. Interest is to be paid on 10 October each year in the arrears until redemption and par value to be paid on 10 October 2022. The notes are unsecured and targets institutional investors in the national inter-bank market.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

40. Debentures payable (Continued)

(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	15/10/2019	3 years	2,000,000

The Company issued 2019 Public Offering of Corporate Bonds (Tranche I) to qualified investors with an amount of RMB2 billion on 15 October 2019; with par value and issue price 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.

41. Lease liabilities

	30 June 2021	31 December 2020
Lease liabilities	827,931	810,305
Less: Non-current portion of lease liabilities due within one year (Note IV.37)	(183,213)	(192,511)
	644,718	617,794

42. Deferred income

	Note	31 December 2020	Current year additions	Current year decrease	30 June 2021	Reason
Government grants	(1)	1,176,001	36,386	(100,283)	1,112,104	Government Grants received, to be recognized in future periods
Others		1,660	–	(1,477)	183	
		1,177,661	36,386	(101,760)	1,112,287	

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Deferred income (Continued)

(1) Government grants

	31 December 2020	Increase in current year	Decrease in current year			30 June 2021	Asset related/ Income related
			Other income	Write down financial expenses	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	157,464	-	(3,566)	-	(90)	153,808	Asset related
Enric new factory government grants	66,519	-	(1,735)	-	-	64,784	Asset related
Enric Peak-shaving station government grants	55,200	-	-	-	-	55,200	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
Dongguan Southern CIMC Logistics Equipment Manufacture intelligent production line project	39,420	-	-	-	-	39,420	Asset related
Shanxi CIMC Vehicles Industry	41,402	-	(3,503)	-	-	37,899	Income related
Qianhai Innovation and entrepreneurship carrier special funds	37,523	-	-	-	-	37,523	Asset related & Income related
C&C Trucks government build donation	24,550	-	(462)	-	-	24,088	Asset related
TAS industrial base project	24,095	-	(711)	-	-	23,384	Asset related
Ningbo CIMC Industry and Technology development special funds	21,881	-	(296)	-	-	21,585	Asset related
QDCRC world bank foaming	20,605	-	(1,155)	-	-	19,450	Asset related
Yantai Raffles Industrialization of marine multifunctional composite platform	19,920	-	-	-	(5,735)	14,185	Income related
SYFFVF relocation compensation	16,095	-	(202)	-	-	15,893	Asset related
Yantai Raffles New Material Production and Application Demonstration Platform Construction Project	14,819	-	-	-	-	14,819	Asset related & Income related
Chuzhou government grants for fixed assets	14,460	-	(65)	-	-	14,395	Asset related
Yantai Raffles Marine permeable structure technology research	-	12,440	-	-	-	12,440	Income related

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Deferred income (Continued)

(1) Government grants (Continued)

	31 December 2020	Increase in current year	Decrease in current year			30 June 2021	Asset related/ Income related
			Other income	Write down financial expenses	Other decrease		
YZTH discount on loan for construction of factory	16,994	-	-	(5,907)	-	11,087	Income related
Taicang CIMC Special Logistics Equipment government grants	10,182	-	(152)	-	-	10,030	Asset related
Yantai Raffles Marine Engineering Equipment Testing and Testing Platform Construction	9,737	2	-	-	-	9,739	Asset related
QDSCR world bank foaming equipment project	10,089	-	(566)	-	-	9,523	Asset related
EMA deep-water semi-submersible support platform project	9,354	-	-	-	-	9,354	Asset related
TCCIMC land compensation	8,812	-	(131)	-	-	8,681	Asset related
XHCIMCS Zhujiang river bank advanced equipment manufacturing special fund	8,440	-	-	-	-	8,440	Asset related
CQLE Land grant fee refund	7,219	-	(100)	-	-	7,119	Asset related
Yantai Raffles development of Wireless Extended Observation System for Submarine Observation Network	6,873	-	(40)	-	-	6,833	Asset related & Income related
NTCIMCS major achievements transformation project	6,681	-	-	-	-	6,681	Income related
Government grants for research on key technology of Offshore Oilfield Facilities Dismantling Equipment	6,741	-	(350)	-	-	6,391	Asset related & Income related
Fixed assets technology transformation subsidy granted by Finance Bureau, Pingshan District, Shenzhen	6,376	-	-	-	(304)	6,072	Asset related
Yantai Raffles Marine Equipment Virtual Reality Training R&D Center	5,560	2	-	-	-	5,562	Asset related
High-end marine engineering equipment innovation capacity building project	6,799	-	(686)	-	(983)	5,130	Asset related
CIMC Offshore Holdings offshore test platform project	10,260	-	(6,476)	-	-	3,784	Asset related
TAS information technology development special fund	3,908	13	(362)	-	-	3,559	Asset related
Zhenhua Group Drop and Pull Transport program	3,463	-	-	-	-	3,463	Income related

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Deferred income (Continued)

(1) Government grants (Continued)

	31 December 2020	Increase in current year	Decrease in current year			30 June 2021	Asset related/ Income related
			Other income	Write down financial expenses	Other decrease		
2020 Dongguan Intelligent manufacturing key project funding program	3,633	-	(234)	-	-	3,399	Asset related
SYFFVF Technological transformation subsidies	3,675	-	(315)	-	-	3,360	Income related
Land supporting funds and technical R&D funds of Shandong vehicles	3,371	-	(112)	-	-	3,259	Asset related
Longkou Raffles marine economy innovative development project	2,999	-	-	-	-	2,999	Income related
Research and development of marine engineering equipment structure and deep water metering device	2,523	1,380	(1,000)	-	-	2,903	Asset related & Income related
Yangzhou upgrade special funds	3,200	-	(320)	-	-	2,880	Income related
MEA-other	3,219	-	(460)	-	-	2,759	Income related
Yantai Raffles research and utilization of marine engineering intelligent processing platform	2,289	100	-	-	-	2,389	Income related
Technology boosting Economy project (research of detective car and decontamination car special funds)	2,200	-	-	-	-	2,200	Income related
Shenzhen Super Luxury Yacht R&D Design Laboratory Project	1,981	-	(518)	-	-	1,463	Asset related
CIMC Offshore Holdings engineering equipment localization-Deep sea testing ground	3,301	-	(1,880)	-	-	1,421	Asset related & Income related
Transformation project of high-tech in Jiangsu Province of Yangzhou Runyang	1,350	-	-	-	-	1,350	Asset related
Subsidy for air pollution prevention project	1,310	-	(58)	-	-	1,252	Asset related
A variety of communication interface special equipment controller and system industrialization project	1,381	-	(218)	-	-	1,163	Asset related
CIMC Offshore Holdings Gas hydrate test production platform safety guarantee technology and early engineering	4,623	-	(3,180)	-	(372)	1,071	Asset related & Income related

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Deferred income (Continued)

(1) Government grants (Continued)

	31 December 2020	Increase in current year	Decrease in current year			30 June 2021	Asset related/ Income related
			Other income	Write down financial expenses	Other decrease		
Shenzhen Star Base Equipment and Technology Engineering Laboratory Project	1,083	-	(500)	-	-	583	Asset related
Jiajing Technology key Industry Technology Research Institute technical support	563	-	(56)	-	-	507	Asset related
TAS technology development fund	498	-	(48)	-	-	450	Asset related
MEA special funds to support industrial innovation	805	-	(425)	-	-	380	Asset related
YZTH relocation compensation	46,441	-	(46,441)	-	-	-	Asset related
2019 Yangzhou advanced manufacturing development project special funds	2,100	-	(2,100)	-	-	-	Income related
Others	101,383	22,077	(8,469)	-	-	114,991	Asset related & Income related
	1,176,001	36,386	(86,892)	(5,907)	(7,484)	1,112,104	

43. Other non-current liabilities

	Note	30 June 2021	31 December 2020
Rental advances		97	4,120
Interest rate swap contract	IV.3(3)	-	19,744
Others		38,323	37,212
		38,420	61,076

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

44. Share capital

	31 December 2020 '000	Current year additions '000	Current year decrease '000	Change of shares subject '000	30 June 2021 '000
Shares subject to trading restriction					
Held by domestic natural person	850	–	–	–	850
Shares not subject to trading restriction					
RMB-denominated ordinary shares	1,534,272	–	–	–	1,534,272
Foreign shares listed overseas	2,059,892	–	–	–	2,059,892
	3,595,014	–	–	–	3,595,014

	31 December 2019 '000	Current year additions '000	Current year decrease '000	Change of shares subject to selling restriction '000	31 December 2020 '000
Shares subject to trading restriction					
Held by domestic natural person	850	–	–	–	850
Shares not subject to trading restriction					
RMB-denominated ordinary shares	1,523,762	10,510	–	–	1,534,272
Foreign shares listed overseas	2,059,892	–	–	–	2,059,892
	3,584,504	10,510	–	–	3,595,014

45. Other equity instruments

	31 December 2020	Current Year issuance	Interest at par value	Paid in current year	Other current year	30 June 2021
18 CIMC MTN002 (i)	2,006,165	–	51,700	–	–	2,057,865
18 First phase renewable corporate bond (ii)	2,001,380	–	48,500	–	–	2,049,880
Perpetual Debt Investment Contract (iii)	300,497	–	814	(301,311)	–	–
	4,308,042	–	101,014	(301,311)	–	4,107,745

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

45. Other equity instruments (Continued)

	31 December 2019	Current Year issuance	Interest at par value	Paid in current year	Other current year additions	31 December 2020
18 CIMC MTN002 (i)	2,006,165	–	103,400	(103,400)	–	2,006,165
18 First phase renewable corporate bond (ii)	2,001,380	–	97,000	(97,000)	–	2,001,380
Perpetual Debt Investment Contract (iii)	–	2,000,000	73,579	(1,773,082)	–	300,497
	4,007,545	2,000,000	273,979	(1,973,482)	–	4,308,042

(i) Approved by the China Association of Financial Market Institutional Investors Zhongshi Xiezhuzhu [2016] MTN591 document, the company issued a cumulative perpetual bond with no fixed repayment period ("18 Marine Collection" on October 24, 2018). Installed MTN002", with a total face value of RMB2 billion and an initial fixed interest rate of 5.17%. The other main terms of the perpetual bond are as follows:

- (1) There is no definite principal payment date for this issue of bonds. The issuer shall repay the principal and all unpaid interest payable on the redemption date.
- (2) This bond is attached to the issuer's right to defer the payment of interest. Unless a mandatory interest payment event occurs, the issuer can choose to include the current interest and all interest deferred in accordance with this clause on each interest payment date of the bond. The payment of fruits is postponed to the next interest payment date, and is not subject to any restrictions on the number of deferred interest payments.
- (3) If the issuer distributes dividends to ordinary shareholders or reduces the registered capital within 12 months before the interest payment, it shall not defer the current interest and all interest and its fruits that have been deferred in accordance with the agreement. If the issuer has chosen to defer the current interest and all the interest and its fruits that have been deferred in accordance with the agreement, it shall not distribute dividends to ordinary shareholders or reduce the registered capital.

(ii) Approved by the China Securities Regulatory Commission Securities Regulatory Commission [2018] No. 1858, the company issued a cumulative perpetual bond with no fixed repayment period ("18 Renewable Corporate Bonds") on December 3, 2018. Phase 1", with a total face value of RMB2 billion and an initial fixed interest rate of 4.85%. The other main terms of the perpetual bond are as follows:

- (1) The bond's repricing cycle is three years. At the end of each repricing cycle, the issuer has the right to choose to extend the bond term by one repricing cycle.
- (2) This bond is attached to the issuer's right to defer the payment of interest. Unless a mandatory interest payment event occurs, the issuer can choose to include the current interest and all interest deferred in accordance with this clause on each interest payment date of the bond. The payment of fruits is postponed to the next interest payment date, and is not subject to any restrictions on the number of deferred interest payments.
- (3) If the issuer distributes dividends to ordinary shareholders or reduces the registered capital within 12 months before the interest payment, it shall not defer the current interest and all interest and its fruits that have been deferred in accordance with the agreement. If the issuer has chosen to defer the current interest and all the interest and its fruits that have been deferred in accordance with the agreement, it shall not distribute dividends to ordinary shareholders or reduce the registered capital.

Since the perpetual bonds do not constitute the company's unavoidable contractual obligation to pay cash or other financial assets, they are classified as equity instruments and listed as other equity instruments.

(iii) The company signed an agreement with the bank on April 30, 2020, stipulating that the bank will use the funds legally raised by the issuance of the bank's financial management plan and have the right to make perpetual debt investment in the company. The total amount of investment funds accepted by the company is RMB2,000,000,000. The investment plan is made for general corporate financing purposes, with an initial investment interest rate of 5.5% and an initial investment period of 24 months.

The investment plan does not have a fixed expiry date. The company can apply to the bank for partial or full redemption of the perpetual debt on the corresponding date 6 months after the expiration of the perpetual debt investment fund and any day thereafter. Before the deferred payment of interest is paid off (including the deferred payment of interest), the company cannot implement such behaviors as dividends and capital reduction.

On 30 June, 2021, the company redeemed all the perpetual debt.

Since the above perpetual bonds do not constitute the company's unavoidable contractual obligation to pay cash or other financial assets, they are classified as equity instruments and listed as other equity instruments.

NOTES TO THE FINANCIAL STATEMENTS

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

46. Capital reserve

	31 December 2020	Current year additions	Current year decrease	30 June 2021
Capital surplus	5,299,651	63,182	(76,019)	5,286,814
Including: Capital reserve due to minority shareholders' contribution	1,854,640	12,328	(1,718)	1,865,250
Disposal of partial equity of subsidiary	915,936	–	–	915,936
Capital reserve due to acquiring minority shareholders' equity	(631,870)	50,854	(74,301)	(655,317)
Capital reserve due to acquisition or establishment of subsidiary	(107,258)	–	–	(107,258)
Others	3,268,203	–	–	3,268,203
Other capital reserve	163,554	12,158	(2,251)	173,461
Including: Equity settled share-based payment	461,076	8,171	–	469,247
Capital reserve due to share option exercised by subsidiary	7,845	–	(2,251)	5,594
Exchange reserve on foreign currency capital	(406,795)	–	–	(406,795)
Others	101,428	3,987	–	105,415
	5,463,205	75,340	(78,270)	5,460,275

NOTES TO THE FINANCIAL STATEMENTS

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

46. Capital reserve (Continued)

	31 December 2019	Current year additions	Current year decrease	31 December 2020
Capital surplus	4,758,233	786,205	(244,787)	5,299,651
Including: Capital reserve due to minority shareholders'	1,353,548	602,115	(101,023)	1,854,640
Disposal of partial equity of subsidiary	915,936	–	–	915,936
Capital reserve due to acquiring minority shareholders' equity	(527,927)	39,821	(143,764)	(631,870)
Capital reserve due to acquisition or establishment of subsidiary	(107,258)	–	–	(107,258)
Others	3,123,934	144,269	–	3,268,203
Other capital reserve	123,078	112,493	(72,017)	163,554
Including: Equity settled share- based payment	428,265	103,958	(71,147)	461,076
Capital reserve due to share option exercised by subsidiary	8,608	–	(763)	7,845
Exchange reserve on foreign currency capital	(406,795)	–	–	(406,795)
Others	93,000	8,535	(107)	101,428
	4,881,311	898,698	(316,804)	5,463,205

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021
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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

47. Other comprehensive income

	Other comprehensive income in the balance statement			Other comprehensive income in the income statement					
	31 December 2020	Post-tax amount attributable to the Company	Other comprehensive income that transferred into retained earnings	30 June 2021	Pre-tax amount incurred	Less: Other comprehensive income transferred out this year	Less: Income tax	Post-tax amount attributable to the Company	Post-tax amount attributable to the minority
Item that will not be reclassified to profit or loss									
- Changes in fair value of other equity investments	386,243	(61,155)	-	325,088	(61,155)	-	-	(61,155)	-
Item that may be reclassified subsequently to profit or loss									
- Cash flow hedges	-	-	-	-	-	-	-	-	-
- Changes in fair value of other debt investments	-	-	-	-	-	-	-	-	-
- Currency translation differences	141,325	(46,686)	-	94,639	(77,755)	-	-	(46,686)	(31,069)
- The share of other comprehensive income that will be reclassified into profit or loss under equity method	8,523	-	-	8,523	-	-	-	-	-
- 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	384,678	-	-	384,678	-	-	-	-	-
	920,769	(107,841)	-	812,928	(138,910)	-	-	(107,841)	(31,069)

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021
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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

47. Other comprehensive income (Continued)

	Other comprehensive income in the balance statement			Other comprehensive income in the 2020 income statement					
	31 December 2019	Post-tax amount attributable to the Company	Other comprehensive income that transferred into retained earnings	31 December 2020	Pre-tax amount incurred	Less: Other comprehensive income transferred out this year	Less: Income tax	Post-tax amount attributable to the Company	Post-tax amount attributable to the minority
Item that will not be reclassified to profit or loss									
- Changes in fair value of other equity investments	517,418	(131,175)	-	386,243	(165,481)	-	34,306	(131,175)	-
Item that may be reclassified subsequently to profit or loss									
- Cash flow hedges	2,578	(2,578)	-	-	(2,578)	-	-	(2,578)	-
- Changes in fair value of other debt investments	2,282	(2,282)	-	-	(2,280)	-	(2)	(2,282)	-
- Currency translation differences	439,872	(298,547)	-	141,325	(369,584)	-	-	(298,547)	(71,037)
- The share of other comprehensive income that will be reclassified into profit or loss under equity method	16,448	(7,925)	-	8,523	(7,925)	-	-	(7,925)	-
- 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	736,728	(352,050)	-	384,678	(537,601)	-	39,676	(352,050)	(145,875)
	1,715,326	(794,557)	-	920,769	(1,085,449)	-	73,980	(794,557)	(216,912)

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021
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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

48. Surplus reserve

	31 December 2020	Current year additions	Current year decrease	30 June 2021
Statutory surplus reserve	1,797,505	–	–	1,797,505
Discretionary surplus reserve	1,790,092	–	–	1,790,092
	3,587,597	–	–	3,587,597

	31 December 2019	Current year additions	Current year decrease	31 December 2020
Statutory surplus reserve	1,792,251	5,254	–	1,797,505
Discretionary surplus reserve	1,790,092	–	–	1,790,092
	3,582,343	5,254	–	3,587,597

In accordance with the Company Law and the Company's Articles of Association, the Company should appropriate 10% of net profit for the year (including shareholder and other equity holders of the Company) to the statutory surplus reserve, and the Company can cease appropriation when the statutory surplus reserve accumulated to more than 50% of the registered capital. The statutory surplus reserve can be used to make up for the loss or increase the paid in capital.

The Company appropriates for the discretionary surplus reserve after the shareholders' meeting approves the proposal from the Board of Directors. The discretionary surplus reserve can be used to make up for the loss or increase the paid in capital after approval from the appropriate authorities

49. Undistributed profits

	Note	For the period from 1 January to 30 June 2021	2020
Undistributed profits at the beginning of the year		26,142,889	21,482,857
Add: net profit attributable to the shareholders and other equity holders of the Company for the current year		4,297,459	5,349,613
Add: Income from disposal of other equity investments		–	20,000
Less: Equity attribute to holders of other equity investments in current year		(101,014)	(273,979)
Less: appropriation for surplus reserve		–	(5,254)
Less: ordinary share dividends payable	(1)	(1,005,904)	(430,348)
Undistributed profits at the end of the year		29,333,430	26,142,889

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021
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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

49. Undistributed profits (Continued)

(1) Dividends of ordinary shares declared during the year

	For the period from 1 January to 30 June 2021	2020
Dividends proposed but not declared	1,005,904	–
Total proposed dividends in the year	1,005,904	430,348

Approved by the shareholders' general meeting on 2 June 2021, the Company distributed cash dividends to ordinary shareholders on 20 July 2021, at RMB0.28 per share (2020: RMB0.12 per share), totaling RMB1,005,904,000 (2020: RMB430,348,000).

50. Revenue and cost of sales

	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020
Revenue from main operations	71,562,133	38,524,656
Revenue from other operations	1,622,416	907,151
	73,184,549	39,431,807
Cost of sales from main operations	60,322,948	33,612,216
Cost of sales from other operations	719,006	754,016
	61,041,954	34,366,232

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For the period from 1 January 2021 to 30 June 2021
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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

50. 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 2021		For the period from 1 January to 30 June 2020	
	Revenue from main operations	Cost of sales from main operations	Revenue from main operations	Cost of sales from main operations
Containers manufacturing	26,543,233	20,229,963	8,009,540	7,431,983
Road transportation vehicles	16,677,949	15,348,433	10,921,533	9,570,542
Energy, chemical and food equipment	7,920,170	6,548,333	5,593,999	4,831,128
Logistics services	9,796,266	8,951,973	4,414,466	4,068,341
Recycled load	2,395,403	1,983,367	1,004,629	824,449
Airport facilities and logistics, fire safety and rescue	2,642,371	2,086,486	2,142,810	1,705,774
Heavy truck	822,403	839,877	853,032	843,862
Finance and asset management	833,165	198,278	777,054	302,573
Offshore engineering	2,382,685	2,242,208	2,306,467	2,308,427
Real estate	–	–	1,253,899	778,864
Others	1,548,488	1,894,030	1,247,227	946,273
	71,562,133	60,322,948	38,524,656	33,612,216

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

	For the period from 1 January to 30 June 2021		For the period from 1 January to 30 June 2020	
	Revenue from main operations	Cost of sales from main operations	Revenue from main operations	Cost of sales from main operations
P.R China (PRC)	67,081,185	56,495,893	34,229,592	30,167,973
Europe	2,043,980	1,920,887	2,323,753	2,013,143
America	1,757,279	1,475,225	1,611,284	1,171,895
Asia (except for PRC)	476,292	401,703	278,084	201,161
Others	203,397	29,240	81,943	58,044
	71,562,133	60,322,948	38,524,656	33,612,216

The revenue and cost of sales from main 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)

50. Revenue and cost of sales (Continued)

(3) Revenue and cost of sales from other operations

	For the period from 1 January to 30 June 2021		For the period from 1 January to 30 June 2020	
	Revenue from main operations	Cost of sales from main operations	Revenue from main operations	Cost of sales from main operations
Rendering of services	788,148	413,508	765,702	613,100
Sale of raw materials	834,268	305,498	141,449	140,916
	1,622,416	719,006	907,151	754,016

(4) Revenue by categories:

	For the period from 1 January to 30 June 2021											
	Containers manufacturing	Road transportation vehicles	Energy, chemical and liquid food equipment	Offshore engineering	Airport facilities and logistics, fire safety and rescue	Heavy truck	Logistics services	Recycled load	Real estate	Finance and asset management	Others	Total
Revenue from main operations												
Including:												
Recognized at a point in time	26,543,233	16,596,474	5,873,902	21,390	2,557,982	822,403	-	2,395,403	-	12,705	1,548,488	56,371,980
Recognized over time	-	81,475	2,046,268	2,361,295	84,389	-	9,796,266	-	-	820,460	-	15,190,153
	26,543,233	16,677,949	7,920,170	2,382,685	2,642,371	822,403	9,796,266	2,395,403	-	833,165	1,548,488	71,562,133

	For the period from 1 January to 30 June 2020											
	Containers manufacturing	Road transportation vehicles	Energy, chemical and liquid food equipment	Offshore engineering	Airport facilities and logistics, fire safety and rescue	Heavy truck	Logistics services	Recycled load	Real estate	Finance and asset management	Others	Total
Revenue from main operations												
Including:												
Recognized at a point in time	8,009,540	10,816,333	4,272,606	342,776	1,926,769	853,032	-	1,004,629	1,253,899	-	1,247,227	29,726,811
Recognized over time	-	105,200	1,321,393	1,963,691	216,041	-	4,414,466	-	-	777,054	-	8,797,845
	8,009,540	10,921,533	5,593,999	2,306,467	2,142,810	853,032	4,414,466	1,004,629	1,253,899	777,054	1,247,227	38,524,656

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021
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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

50. Revenue and cost of sales (Continued)

(4) Revenue by categories: (Continued)

As at 30 June 2021, 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 RMB6,575,419,000 (31 December 2020: RMB6,101,765,000), of which the Group expected that RMB6,230,358,000 will be recognized in 2021, RMB151,815,000 will be recognized in 2022, and RMB193,246,000 will be recognized in 2023.

51. Taxes and surcharges

	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020	Standard
City maintenance and construction tax	79,997	48,706	7% of VAT
Educational sur-charge	62,312	23,620	3% – 5% of VAT paid
Tenure tax	48,267	43,527	Actual using area of land and unit tax
Land appreciation tax	95	138,430	Appreciation amount in transferring property and applicable tax rate
Housing property tax	43,649	45,157	Real estate surplus or property rental income and applicable tax rate
Stamp Duty	27,772	24,269	Amount or number of taxable voucher and applicable tax rate or unit tax
Others	3,381	18,158	
	265,473	341,867	

52. Selling and distribution expenses

	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020
Employ benefits	580,741	469,548
Selling operation	166,000	139,180
Warranty	100,564	81,442
External sales commission	44,656	28,490
Agency fees	27,320	21,161
Product maintenance fee	23,556	24,597
Storage	20,752	25,759
Advertising	18,086	39,313
Right of use assets depreciation	6,062	2,335
Transportation and distribution expenses	2,916	5,760
Others	84,125	94,133
	1,074,778	931,718

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For the period from 1 January 2021 to 30 June 2021
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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

53. General and administrative expenses

	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020
Employ benefits	1,495,056	1,120,906
Performance bonus and profit sharing bonus	372,412	51,000
Agency fees	129,480	98,575
Amortisation	120,060	120,909
Depreciation	119,319	100,570
Entertainment fee	65,424	49,042
Travel expenses	30,857	26,453
Rental	63,753	72,163
Low-value consumables and materials consumed	37,810	50,108
Taxes and surcharges	37,764	21,438
Share-based payment expenses	11,984	6,581
Depreciation of useable assets	30,493	24,971
Insurance, external repairing expenses and others	297,042	337,483
	2,811,454	2,080,199

54. Research and development expenses

	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020
Direct material consumption	405,555	190,791
Direct material consumption	348,564	261,995
Depreciation and amortisation	68,497	59,624
Testing fee	49,579	33,133
Design fee	31,408	20,451
Right of use assets depreciation	212	297
Others	31,531	22,794
	935,346	589,085

NOTES TO THE FINANCIAL STATEMENTS

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

55. Financial expenses

	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020
Interest expenses	735,867	1,334,234
Add: Interest expense on lease liabilities	11,811	18,488
Less: capitalised borrowing costs	(31,556)	(460,961)
Sub-total	716,122	891,761
Less: interest income	(139,818)	(211,190)
Net exchange/(gains)	148,038	(90,384)
Others	102,061	84,086
	826,403	674,273

56. 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 2021	For the period from 1 January to 30 June 2020
Finished goods and work-in-progress movement	(1,807,418)	368,802
Consumption of raw materials and low priced and easily worn articles, etc	54,954,449	28,656,432
Salary and wages	5,852,611	3,964,434
Depreciation and amortization	1,458,555	1,649,602
Depreciation of right-of-use	141,269	116,471
Rental	42,651	96,629
Shipping and handling charges	2,168,428	888,099
Selling operation expenses	166,000	139,180
Power expenses	457,007	287,261
Processing and repairing expenses	736,089	351,878
Other expenses-other research and development expenses	112,129	588,788
Other expenses-other manufacturing expenses	291,250	231,294
Other expenses-other selling and distribution expenses	275,679	264,276
Other expenses-other general and administrative expenses	1,014,834	364,088
Total	65,863,533	37,967,234

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 from 1 January to 30 June in 2021 was RMB42,651,000 (during the period from 1 January to 30 June in 2020: RMB96,629,000).

Owing to the novel coronavirus pneumonia epidemic, the lessor relieved the group of RMB530,000 during the period from 1 January to 30 June in 2021. The group has reduced the rent deduction to the current rental charge.

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For the period from 1 January 2021 to 30 June 2021
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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

57. Fair value (losses)/gains

	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020
Financial assets at fair value through profit or loss		
– Changes in fair value during the year		
1. Fair value/gains on equity instruments held for trading	78,430	(51,828)
2. Fair value/gains on debt instruments held for trading	53	(11,570)
3. Fair value/losses on derivative financial instruments	406,952	(135,907)
– Gains for derecognized financial assets at fair value through profit or loss	(721,380)	46,742
Sub-total	(235,945)	(152,563)
Investment properties at fair value	–	304
Financial liabilities at fair value through profit or Loss		
– Changes in fair value during the year		
1. Fair value losses on derivative financial instruments	110,031	(185,228)
Total	(125,914)	(337,487)

58. Investment income/(losses)

	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020
Income from Financial assets held for trading during the holding period	–	8,053
Income/(Loss) from disposal of financial assets/liabilities held for trading	20,590	–
Dividend income from investments in other equity instruments	40,416	18,208
Income/(Loss) from disposal of derivative financial instruments	700,790	(46,742)
Income from long-term equity investments under equity method	(97,261)	54,891
Income from disposal of long-term equity investment and subsidiary	12,625	66,577
Interest income from debt investment	–	13,829
Others	4,753	3,467
Total	681,913	118,283

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

59. Gains on disposals of assets

	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020	Amount recognised in non-recurring profit or loss from 1 January to 30 June 2021
Gains on disposals of fixed assets	190,875	89,438	190,875
Loss on disposals of fixed assets	(74,354)	(1,604)	(74,354)
Gains on disposals of intangible assets	4,007	22,112	4,007
	120,528	109,946	120,528

60. Other income

	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020	Asset related/Income related
Financial subsidies	183,821	292,044	Asset related/Income related
Tax refund	41,842	34,796	Income related
Others	26,186	31,779	Income related
	251,849	358,619	

61. Asset impairment losses

	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020
Contract Asset	5,469	1,065
Inventories and costs incurred to fulfil a contract	46,200	15,151
Fixed assets	59,420	–
Advances to suppliers	–	1,689
	111,089	17,905

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For the period from 1 January 2021 to 30 June 2021
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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

62. Credit losses

	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020
Long-term receivables (including current portion of non-current assets)	56,130	54,022
Notes receivables	(6,392)	(2,558)
Accounts receivables	677	–
Receivables financing	89,444	35,902
Other receivables	9,635	2,929
Financial guarantee for vehicle loans	7,559	913
	157,053	91,208

63. Non-operating income

	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020	Amount recognized in non-recurring profit or loss during the period from 1 January to 30 June 2021
Compensation income	20,885	2,524	20,885
Unpayable payables	11,483	44,252	11,483
Penalty income	7,169	9,944	7,169
Donation income	182	6,165	182
Others	17,044	20,600	17,044
	56,763	83,485	56,763

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021
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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

64. Non-operating expenses

	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020	Amount recognized in non-recurring profit or loss during the period from 1 January to 30 June 2021
Losses of disposals of fixed assets	65,129	6,963	65,129
Compensation expenses	10,627	2,310	10,627
Compensation expenses	2,295	2,641	2,295
Penalty expenses	1,236	749	1,236
Donations	105	2,577	105
Others	7,533	15,576	7,533
	86,925	30,816	86,925

65. Income tax expenses

	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020
Current income tax calculated based on tax law and related regulations	1,651,583	379,662
Deferred income tax	162,134	19,470
Total	1,813,717	399,132

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

	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020
Profit before tax	6,859,213	641,350
Income tax expenses calculated at applicable tax rates	1,690,540	418,960
Effect of tax incentive	(61,908)	(107,002)
Expenses not deductible for tax purposes	123,177	5,846
Other income not subject to tax	(153,221)	(194,265)
Deductible losses in previously unrecognized deferred income	(104,306)	(39,599)
Deductible losses in unrecognized deferred income tax assets	180,901	253,664
Deductible temporary differences in unrecognized deferred	27,183	-
Deductible temporary differences for which no deferred tax asset was recognized in previous years	134,742	89,050
Effect of tax rate change on deferred tax	3,681	2,832
Tax refund for income tax annual filing	(27,073)	(30,354)
Income tax expenses	1,813,717	399,132

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

66. Earnings per share

(1) Basic earnings per share

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

	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020
Consolidated profit attributable to ordinary shareholders and other equity holders of the Company	4,297,459	(182,797)
Equity attributable to holders of other equity instruments	(101,014)	(118,885)
Consolidated profit (adjusted) attributable to ordinary shareholders of the Company	4,196,445	(301,682)
Weighted average number of ordinary shares outstanding ('000)	3,595,014	3,585,290
Basic earnings per share (RMB/share)	1.1673	(0.0841)
Including: going concern basic earnings per share	1.1673	(0.0841)

(2) Diluted earnings per share

Diluted earnings per share is calculated by dividing net profit attributable to ordinary shareholders of the Company adjusted based on the dilutive potential ordinary shares by the adjusted weighted average number of ordinary shares outstanding:

	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020
Consolidated profit attributable to ordinary shareholders and other equity holders of the Company	4,297,459	(182,797)
Influence of the issuing of perpetual bonds by the Company	(101,014)	(118,885)
Influence of the issuing of convertible bonds by subsidiaries	-	-
Influence of share option program by subsidiaries	(1,234)	-
Consolidated profit (adjusted) attributable to ordinary shareholders of the Company	4,195,211	(301,682)
Weighted average number of ordinary shares outstanding (diluted) ('000) (adjusted)	3,595,014	3,585,290
Diluted earnings per share (RMB/share)	1.1670	(0.0841)

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021
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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

66. Earnings per share (Continued)

(2) Diluted earnings per share (Continued)

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

	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020
Weighted average number of ordinary shares out-standing ('000)	3,595,014	3,585,290
Effect of share options ('000)	–	–
Weighted average number of ordinary shares out-standing (diluted) ('000)	3,595,014	3,585,290

The board of directors of the Company was authorised to grant 60,000,000 shares (1.67% of the total issued shares 3,595,013,590) to the senior management and other staffs. Refer to Note IX for details.

67. Note to the consolidated cash flow statement

(1) Cash received related to other operating activities

	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020
Cash received from government grants related to assets	60,310	62,403
Cash received from government grants related to income	183,821	140,576
Relocation compensation received	3,504,573	240,000
Cash received from compensation income	20,885	2,524
Cash received from penalty income	7,169	9,944
Others	373,958	170,294
	4,150,716	625,741

NOTES TO THE FINANCIAL STATEMENTS

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

67. Note to the consolidated cash flow statement (Continued)

(2) Cash paid related to other operating activities

	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020
Cash paid for rental, insurance and other miscellaneous expenses	111,445	115,294
Cash paid for research expenses	518,073	267,169
Cash paid for warranty	78,884	61,184
Cash paid for sales expenses	166,000	139,180
Cash paid for entertainment, travelling, disbursement, pledge and other expenses	1,368,071	614,046
	2,242,473	1,196,873

(3) Cash received related to other investing activities

	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020
Return of shareholder's security fund	1,000	-
Cash received by the subsidiary for the disposal of the current period less than the amount of cash held by the subsidiary	-	23,273
	1,000	23,273

NOTES TO THE FINANCIAL STATEMENTS

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

67. Note to the consolidated cash flow statement (Continued)

(4) Cash received related to other financing activities

	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020
Cash received from share option exercised by minority	22,933	116
Cash received from issuing asset support plan	–	393,000
Cash received from loan from minority shareholders	261,000	172,217
Others	9,348	–
	293,281	565,333

(5) Cash paid related to other financing activities

	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020
Cash paid for underwriting, registration, establishment and financing fee	41,509	4,700
Cash paid to minority shareholders	270,000	117,580
Cash paid for lease liabilities	47,569	49,740
Others	8,919	38,954
	367,997	210,974

For the period from 1 January to 30 Jun in 2021, Cash paid for lease related activities was RMB90,220,000 (For the period from 1 January to 30 Jun in 2020: RMB83,615,000). Except for cash paid for lease liability as above, the rest of lease's cash paid out was operating activity related.

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021
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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

68. Information to cash flow statement

(1) Supplementary information to the consolidated cash flow statement

(a) Reconciliation from net profit to cash flows from operating activities:

	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020
Net profit	5,045,496	242,218
Add: impairment provisions for assets	111,089	17,905
impairment provisions for credit	157,053	91,208
depreciation of fixed assets	1,148,776	1,230,363
amortisation of intangible assets	202,036	179,181
amortisation of long-term prepaid expenses	107,743	123,587
depreciation of right-of use assets	141,269	116,471
(gains)/losses on disposal of fixed assets, intangible assets and other long-term assets	(55,399)	102,983
losses/(gains) on changes in fair value	125,914	337,487
financial expense	564,493	680,571
investment losses/(income)	(681,913)	(118,283)
share-based payment expenses	11,984	6,581
(increase)/decrease in deferred tax assets	169,328	(209,018)
increase in deferred tax liabilities	7,194	228,489
(increase)/decrease in inventories	(4,460,000)	(1,221,382)
(increase)/decrease in operating receivables	(4,735,595)	(303,821)
(decrease)/increase in operating payables	8,401,591	738,371
Net cash flows from operating activities	6,261,059	2,242,911

(b) Net increase in cash and cash equivalents:

	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020
Cash and cash equivalents at the end of the year	12,437,334	10,535,347
Less: cash and cash equivalents at the beginning of the year	11,210,240	8,659,885
Net increase/(decrease) in cash and cash equivalents	1,227,094	1,875,462

NOTES TO THE FINANCIAL STATEMENTS

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

68. Information to cash flow statement (Continued)

(2) Cash and cash equivalents

	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020
I. Cash		
Including: Cash on hand	6,025	7,848
Cash at bank that can be readily drawn on demand	11,866,309	9,473,827
Other monetary fund that can be readily drawn on demand	-	922,792
II. Redemptory monetary capital for sale and withdrawal of funds by Finance Company	565,000	130,880
III. Cash and cash equivalents at the end of the year	12,437,334	10,535,347

Note: Aforesaid "cash and cash equivalents" excluded restricted cash.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

69. Monetary items denominated in foreign currency

	30 June 2021		
	Functional currency '000	Exchange Rate	In RMB '000
Monetary fund –			
EUR	208,314	7.6864	1,601,182
USD	676,316	6.4599	4,368,935
HKD	1,631,061	0.8321	1,357,206
GBP	18,689	8.9445	167,160
THB	86,883	0.2015	17,507
AUD	7,783	4.8520	37,761
JPY	126,558	0.0584	7,391
Others			114,560
			7,671,702
Accounts receivables –			
USD	2,116,771	6.4599	13,674,126
EUR	53,972	7.6864	414,849
GBP	26,331	8.9445	235,517
JPY	794,041	0.0584	46,372
HKD	30,710	0.8321	25,554
AUD	6,741	4.8520	32,706
THB	165,002	0.2015	33,248
Others			271,582
			14,733,954
Other receivables –			
USD	120,195	6.4599	776,448
EUR	15,408	7.6864	118,433
GBP	508	8.9445	4,545
HKD	781,774	0.8321	650,514
AUD	18,797	4.8520	91,201
THB	76,045	0.2015	15,323
Others			207,563
			1,864,027

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

69. Monetary items denominated in foreign currency (Continued)

	30 June 2021		
	Functional currency '000	Exchange Rate	In RMB '000
Long term receivables –			
USD	1,531,866	6.4599	9,895,699
GBP	14,431	8.9445	129,079
AUD	141	4.8520	685
			10,025,463
Short-term borrowings –			
USD	899,284	6.4599	5,809,285
EUR	97,822	7.6864	751,896
HKD	359,992	0.8321	299,549
GBP	55,653	8.9445	497,792
AUD	63	4.8520	307
Others			19,306
			7,378,135
Accounts payables –			
USD	315,795	6.4599	2,040,005
GBP	45,387	8.9445	405,964
EUR	29,732	7.6864	228,532
HKD	6,577	0.8321	5,473
AUD	2,462	4.8520	11,948
THB	298,928	0.2015	60,234
JPY	17,277	0.0584	1,009
Others			45,033
			2,798,198
Other payables-			
USD	122,435	6.4599	790,917
EUR	25,469	7.6864	195,768
GBP	3,765	8.9445	33,673
HKD	285,944	0.8321	237,934
AUD	6,815	4.8520	33,068
THB	254,392	0.2015	51,260
JPY	3,322	0.0584	194
Others			246,987
			1,589,801

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

69. Monetary items denominated in foreign currency (Continued)

	Functional currency '000	30 June 2021	
		Exchange Rate	In RMB '000
Long-term borrowings –			
USD	2,567,947	6.4599	16,588,683
HKD	299,993	0.8321	249,624
			16,838,307
Long term payables –			
USD	10,081	6.4599	65,121
Others			322
			65,443
Lease liabilities –			
USD	145	6.4599	939
EUR	6,778	7.6864	52,097
HKD	5,164	0.8321	4,297
AUD	11,763	4.8520	57,076
Others			66,249
			180,658

The above-mentioned foreign currency monetary items refer to all currencies except RMB. (The scope is different from the foreign currency items in Note XIV.4(1)).

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V. CHANGES IN THE SCOPE OF CONSOLIDATION

1. Business combinations involving enterprises not under common control

There is no significant business combinations involving enterprises not under common control during the period.

2. Disposal of subsidiaries

There is no significant disposal of subsidiaries during the period.

VI. EQUITY IN OTHER ENTITIES

1. Equity in subsidiaries

All subsidiaries of the Group were established or acquired through combination not under common control. There was no acquisition of subsidiaries through combination under common control.

As at 30 June 2021, the number of companies included in the scope of consolidation added up to 737. Except for the important subsidiaries listed as below, the number of other subsidiaries held by the Group was 612. Other subsidiaries mainly included those engaged in manufacturing or service provision, which have relatively small scale of operation. Other subsidiaries also included those investment holding companies with no operating activities registered in Hong Kong, British Virgin Islands or other overseas countries.

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination

(i) Domestic subsidiaries

	Name	Category	Registration Place	Main Premises	Business scope	Share capital	Shareholding percentage	
							Direct	Indirect
1	Shenzhen Southern CIMC Containers Manufacture Co., Ltd. (SCIMC)	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Manufacture, repair and sale of container, container stockpiling business	RMB137,698,700	-	100.00%
2	Shenzhen Southern CIMC Logistics Equipment Manufacturing Co., Ltd. (SCIMCEL)	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Manufacture and repair of container, design and manufacture of new-style special road and port equipment	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 Containers Co., Ltd. (DLCIMC)	Business entity	Dalian Liaoning	Dalian Liangning	Manufacture and sale of container as well as relevant technical advisory; container stockpiling business	RMB254,100,000	-	75.00%
6	Shenzhen CIMC – TianDa Airport Support Co., Ltd.	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Sales of airport and port electromechanical products, automatic logistics storage system and equipment	USD13,500,000	-	54.68%
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	-	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	Main	Business scope	Share capital	Shareholding percentage	
			Place	Premises			Direct	Indirect
10	Shanghai CIMC Yangshan Logistics Equipments Co., Ltd. (SHYSLE)	Business entity	Shanghai	Shanghai	Manufacture and sale of container as well as relevant technical advisory	USD29,480,000	-	100.00%
11	Tianjin CIMC Containers Co., Ltd. (TJCC)	Business entity	Tianjing	Tianjing	Manufacture of container	USD50,000,000	-	100.00%
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	Beijing 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	-	57.44%
15	Dongguan Southern CIMC Logistics Equipment Manufacture Co. Ltd. ("DLEM")	Business entity	Dongguan Guangdong	Shenzhen Guangdong	Manufacture and sale of various container, semi-finished container product	RMB600,000,000	-	100.00%
16	Shanghai CIMC Vehicle Logistics Equipment Co., Ltd ("Equipment park")	Business entity	Shanghai	Shanghai	Operation of storage and supporting facilities, Property management and related services	RMB90,200,000	-	57.42%
17	Shenzhen CIMC Haigong Investment Co., Ltd	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Marine engineering equipment and ship management, operation and maintenance services	RMB1,900,000,000	-	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	Shareholding percentage	
							Direct	Indirect
18	Qianhai Ruiji Technology Co., Ltd (Qianhai Ruiji Technology)	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Technology development in machinery equipment, Technology consulting and sales	RMB8,000,000	-	70.00%
19	Shenzhen Zhongji new material technology development Co., Ltd	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Manufacture and sale of container wooden floor and relevant products and provision of relevant services	RMB30,000,000	-	75.80%
20.	CIMC Security Technology Co., Ltd. (CIMC Security)	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Research, production and marketing of fire related products	RMB100,000,000	-	66.96%
21	Qingdao CIMC Chuangying Composite Material Technology	Business entity	Qingdao Shandong	Qingdao Shandong	Development, manufacture, sale, handling and detect of thermoplastic composites and their products	RMB70,000,000	-	80.00%
22	CIMC -SHAC (Xi'an) Special Vehicle Co., Ltd. (XASV)	Business entity	Xi'an Shaanxi	Xi'an Shaanxi	Development and production of various trailer, special-use vehicles as well as components and parts; professional services	RMB50,000,000	-	43.06%
23	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, used cars, special-use vehicles technology R&D	RMB5,000,000	-	41.49%
24	Shenzhen CIMC Sharing Logistics Service Co., Ltd ("Sharing Logistics")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Logistics management services Cloud sharing services	RMB5,000,000	-	70.00%
25	CIMC vehicle (Jiangmen) Co., Ltd	Business entity	Jiangmen Guangdong	Jiangmen Guangdong	Production, development, processing and sales of various composite plate products such as plastics, plastic alloy	RMB141,220,000	-	43.98%

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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	Shareholding percentage	
							Direct	Indirect
26	Guangzhou CIMC Container Service Co., Ltd. ("Guangzhou Service")*	Business entity	Guangzhou Guangdong	Guangzhou Guangdong	Maintenance and leasing of containers, maintenance of electrical equipments	RMB10,000,000	-	50.40%
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	USD70,000,000	75.00%	25.00%
28	Zhangzhou China Merchants Containers Co. LTD	Business entity	Zhangzhou Guangdong	Zhangzhou Guangdong	Manufacture, repair and sale Containers	USD23,000,000	-	100.00%
29	Zhumadian CIMC Huajun Vehicle Trading Co., Ltd.	Business entity	Zhumadian Henan	Zhumadian Henan	Special purpose vehicle modification, trailer and accessories R & D and manufacturing of box type freight cars	RMB205,340,000	-	57.42%
30	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%
31	Hunan CIMC New Material Technology Co., Ltd. ("Hunan CIMC")	Business entity	Shaoyang Hunan	Shaoyang Hunan	Manufacturing and sale of bamboo and wood product	RMB28,000,000	-	75.80%
32	Shenzhen jijameiyu Apartment Management Co., Ltd	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Apartment leasing and management, provision of operation and management services to apartments, homestay and hotels	RMB3,000,000	-	100.00%
33	Jiaxing CIMC Wood Co., Ltd. (JXW)	Business entity	Jiaxing Zhejiang	Jiaxing Zhejiang	Production and sales of container wood floors, wood products for transport	USD5,000,000	-	81.85%

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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	Shareholding percentage	
							Direct	Indirect
34	CIMC Cold Chain Technology Co., Ltd.	Business entity	Qingdao Shandong	Qingdao Shandong	Cold chain equipment design, R&D, sales, leasing, logistics services and technical consultation	RMB70,000,000	-	51.00%
35	CIMC commercial factoring Co., Ltd	Business entity	Tianjin	Tianjin	Trade financing Customer credit investigation and evaluation	RMB81,280,000	-	88.33%
36	Shenzhen intelligent Ocean Engineering Innovation Center Co., Ltd ("Shenzhen intelligent Ocean")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Marine engineering equipment manufacturing	RMB44,500,000	-	81.93%
37	CIMC Shenfa Development Co., Ltd. (CIMC SD)	Business entity	Shanghai	Shanghai	Investment, construction and operation for infrastructure; real estate development and operation	RMB204,120,000	98.53%	1.47%
38	Shenzhen CIMC Auto parking System Co., Ltd ("CIMC Parking")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Sale of autoparking system and equipment products, technology services	RMB30,000,000	-	63.00%
39	CIMC Vehicles (Group) Co., Ltd. (CIMC Vehicles)	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Development, production and sales of various special vehicle and trailer series	RMB1,765,000,000	41.27%	16.15%
40	Xuzhou CIMC Wood Co., Ltd. ("Xuzhou CIMC Wood")	Business entity	Xuzhou Jiangsu	Xuzhou Jiangsu	R & D and sales of new environmental protection materials	RMB15,000,000	-	75.80%
41	Chuzhou CIMC Wood Co., Ltd. ("Chuzhou CIMC Wood")	Business entity	Chuzhou Anhui	Chuzhou Anhui	Sales of container wood floor	RMB40,000,000	-	75.80%
42	CIMC IOT Technology Co., Ltd	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Sales of agricultural, forestry, animal husbandry and fishery machinery	RMB150,000,000	-	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	Shareholding percentage	
							Direct	Indirect
43	Qingdao CIMC intelligent logistics equipment Co., Ltd ("Qingdao CIMC intelligent")	Business entity	Qingdao Shandong	Qingdao Shandong	Production and sales of environmental protection equipment Self owned housing leasing; warehousing services	RMB21,780,000	-	57.42%
44	Shanghai CIMC Ruiji Technology Co., Ltd ("Shanghai Ruiji")	Business entity	Shanghai	Shanghai	Technology development of mechanical equipment	RMB20,000,000	-	70.00%
45	Zhengzhou Jinte logistics automation system Co., Ltd ("Zhengzhou Jinte")*	Business entity	Zhengzhou Henan	Zhengzhou Henan	Develop, research and sell logistics automation equipment	RMB20,000,000	-	54.68%
46	CIMC Yiketong Parts Co., Ltd. ("Yiketong")	Business entity	Shanghai	Shanghai	Trading of containers parts	RMB100,000,000	-	90.00%
47	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%
48	Jiangmen CIMC intelligent logistics equipment Co., Ltd ("Jiangmen CIMC intelligent")	Business entity	Jiangmen Guangdong	Jiangmen Guangdong	Production and sales of new intelligent logistics machinery and equipment	RMB3,000,000,000	-	57.42%
49	CIMC Jidong (Qinhuangdao) Vehicles Manufacture Co., Ltd ("QHDV")*	Business entity	Qinhuangdao Hebei	Qinhuangdao Hebei	Sale of car and car components and parts	RMB70,000,000	-	43.06%
50	Shenzhen Qianhaitong Innovation Metal Material Co., Ltd ("Qianhai Tongchung")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Research and development of new metal material Technical consulting services and product sales	RMB10,000,000	-	74.80%
51	CIMC Architectural Design Institute ("Shenzhen Architectural Design")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Modular architecture design and construction	RMB10,000,000	-	95.00%

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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	Shareholding percentage	
							Direct	Indirect
52	Neptune Supply Chain Technology Shanghai Limited ("Neptune")	Business entity	Shanghai	Shanghai	International Freight Forwarder Logistics service	RMB9,930,000	-	30.24%
53	CIMC New Environmental Protection Material Co., Ltd ("CIMC Xincai")	Business entity	Dongguan Guangdong	Dongguan Guangdong	Development, production and sales of wood products for various modern transportation equipment	RMB130,173,300	-	75.80%
54	CIMC Tongchuang Pujiang (Shanghai) Trading Co., Ltd ("Tongchuang Pujiang")	Business entity	Shanghai	Shanghai	Sales of steel and metal materials Metal products, metallurgical furnace charge	RMB50,000,000	-	74.80%
56	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%
57	CIMC Transportation Technology Co., Ltd	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Leasing and maintenance of logistics equipment and related accessories	RMB1,006,960,000	80.00%	-
58	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	-	81.82%
59	CIMC Container Holding Co., Ltd. ("Container Holding")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Equity investment and management and related investment business	RMB529,2828,900	100.00%	-
60	CIMC Tongchuang Changjiang (Zhoushan) Trading Co., Ltd. ("Zhoushan Tongchuang")*	Business entity	Zhoushan Zhejiang	Zhoushan Zhejiang	Investment and holdings	RMB50,000,000	-	44.88%
61	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	RMB57,470,000	-	81.57%
62	Yantai Tiezhongbao Steel Processing Co., Ltd ("Yantai Tiezhongbao")	Business entity	Yantai Shandong	Yantai Shandong	R&D, manufacturing leg structure; sales of products	USD9,150,200	-	65.00%

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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	Shareholding percentage	
							Direct	Indirect
63	Anhui United Feicai Vehicle Co., Ltd. ("United Feicai")	Business entity	Xuancheng Anhui	Xuancheng Anhui	Production and sales of various special-use vehicles and engineering machinery	RMB158,000,000	-	70.06%
64	Dongguan CIMC Special Vehicle Co., Ltd. ("Dongguan CIMC Special Vehicle")	Business entity	Dongguan Guangdong	Dongguan Guangdong	Development, production and sales of various special-use vehicles, refitting vehicles, special vehicles, trailer series	RMB300,000,000	-	57.42%
65	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	84.00%	-
66	Shenzhen Three HuaZhuoYue Investment ("Three HuaZhuoYue")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Investment holding	RMB30,000,000	-	70.06%
67	Shenzhen CIMC Tongchuang Supply Chain Co., Ltd. ("Shenzhen CIMC Tongchuang")	Business entity	Shenzhen	Shenzhen	Investment holding	RMB200,000,000	-	74.80%
68	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%
69	Shenzhen CIMC special car Co., Ltd. ("CIMC SV")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Development, production and sales of various special-use vehicles, as well as relevant components and parts	RMB450,000,000	-	57.42%
70	CIMC Kaitong Logistics Development Co. Ltd. ("CIMC Kaitong")	Business entity	Nanjing Jiangsu	Nanjing Jiangsu	Logistics service	RMB150,000,000	-	56.28%
71	Jiangsu Kaitong Shipping Co. Ltd. ("Jiangsu Kaitong")	Business entity	Nanjing Jiangsu	Nanjing Jiangsu	Logistics service	RMB20,000,000	-	56.28%
72	CIMC Jixin logistics development co. LTD ("CIMC Jixin")	Business entity	Shanghai	Shanghai	Logistic Service	RMB100,000,000	-	84.00%
73	CIMC Kaitong Jiangsu International Multimodal Transport Co., Ltd ("Kaitong Jiangsu International Multimodal Transport")*	Business entity	Nanjing Jiangsu	Nanjing Jiangsu	Logistics service	RMB20,000,000	-	36.58%

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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	Shareholding percentage	
							Direct	Indirect
74	CIMC Vehicle Europe Coöperatief U.A. ("Vehicle Europe Coöperatief U.A.")	Business entity	Netherlands	Netherlands	Sales of Vehicle	USD50,000	-	57.42%
75	Mangrove Capital Limited ("Mangrove Capital")	Business entity	Hong Kong China	Hong Kong China	Financial Services	HKD2,000,000	-	55.00%
76	CIMC Holdings (B.V.I.) Limited ("CIMC BVI")	Business entity	B.V.I.	B.V.I.	Investment holding	USD500,000,000	-	100.00%
77	Powerlead Holdings Ltd ("Powerlead Holdings")	Business entity	B.V.I.	B.V.I.	Financial Leasing	USD10	-	100.00%
78	CIMC Vehicle Investment Holdings Co., Ltd. ("CIMC Vehicle BVI")	Business entity	B.V.I.	B.V.I.	Investment holding	USD1	-	57.42%
79	PERFECT VICTOR INVESTMENTS ("Perfect victor investments")	Business entity	B.V.I.	B.V.I.	Financial Leasing	USD10	-	100.00%
80	Charm Wise Limited ("Charm Wise")	Business entity	Hong Kong China	Hong Kong China	Investment holding	USD50,000	-	100.00%
81	CIMC Air Marrel SAS ("Air Marrel")*	Business entity	France	France	Aviation equipment	EUR1,200,000	-	48.91%
82	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%	-
83	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	Shareholding percentage	
							Direct	Indirect
84	CIMC Financial Leasing (HK) Co Ltd. ("Financial Leasing (HK)")	Business entity	Hong Kong China	Hong Kong China	Financial leasing	USD70,510,000	-	100.00%
85	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%
86	Hong Kong CIMC TianDa Airport Support Ltd. ("TAS Hong Kong")**	Business entity	Hong Kong China	Hong Kong China	Investment holding	HKD1,000,000	-	54.68%
87	Effective Time Investments Limited ("EFFECTIVE TIME")	Business entity	B.V.I.	B.V.I.	Investment holding	USD1	-	100.00%
88	CIMC Vehicles (Bahrain) Factory WLL ("Bahrain CIMC")	Business entity	Bahrain	Bahrain	Vehicle equipment services	KWD565,000	-	40.19%
89	CIMC MBS Hong Kong Limited ("MBS (HK)")	Business entity	Hong Kong China	Hong Kong China	Investment holding	HKD50,000	-	100.00%
90	CIMC FORTUNE HOLDINGS LIMITED ("Fortune")	Business entity	Hong Kong China	Hong Kong China	Financial Services	USD10,000,000	100.00%	-
91	Vanguard National Trailer Corporation ("Vanguard")	Business entity	USA	USA	Sales of Vehicles	USD10	-	57.42%
92	CIMC TGE GAS INVESTMENT SA ("TGE SA")	Business entity	Luxembourg	Luxembourg	Investment holding	EUR50,000	-	60.00%
93	CIMC VEHICLES UK LIMITED ("Vehicles UK")	Business entity	UK	UK	Transport equipment	GBP100	-	57.42%

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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		Business scope	Share capital	Shareholding percentage	
			Place	Main Premises			Direct	Indirect
1	Luoyang CIMC Lingyu Automobile CO., LTD. (LYV)*	Business entity	Luoyang Henan	Luoyang Henan	Production and sales of passenger car, tank car; machining; operation of import and export business	RMB122,745,700	-	41.03%
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	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	-	40.25%
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 ("QDRC")	Business entity	Qingdao Shandong	Qingdao Shandong	Manufacture and sale of refrigeration and heat preservation device of reefer container, refrigerator car and heat preservation car; providing maintenance service	USD86,846,680	-	100.00%
6	Shanghai CIMC Baowell Industries Co. Ltd ("SBWI")	Business entity	Shanghai	Shanghai	Manufacture and sale of container as well as relevant	USD28,500,000	-	94.74%
7	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	-	49.96%
8	CIMC-TianDa Holdings Company Limited ("CIMC TianDa")*	Business entity	Cayman Islands	Cayman Islands	Investment holding	HKD166,380,000	-	54.91%

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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		Business scope	Share capital	Shareholding percentage	
			Place	Main Premises			Direct	Indirect
9	Qingdao Lida Chemical Co., Ltd. ("Qingdao Lida Chemical")	Business entity	Shandong	Shandong	Manufacture and sale of sealant products. Production and sales of rubber parts, plastic parts and waterborne coatings	RMB30,000,000	-	53.06%
10	Qingdao CIMC New Material Co., Ltd. ("Qingdao Xincai")	Business entity	Shandong	Shandong	Manufacture and sale of plastic and rubber parts, and metal construction Development of container parts	RMB6,000,000	-	53.06%
11	Hong Kong Hongji Containers Development Co. Ltd. ("Hongji Hong Kong")	Business entity	Hong Kong	Hong Kong	Financial services	HKD8,380,000	-	51.00%
12	Donghua Container Transportation Service Co., Ltd. ("DHCTS")	Business entity	Shanghai	Shanghai	Container cargo devanning, vanning; canvass for cargo; allotment and customs declaration; container maintenance and stockpiling; supply of components	USD4,500,000	-	58.80%
13	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%
14	Zhenhua Logistics Group Co., Ltd. ("Zhenhua Group")	Business entity	Tianjin	Tianjin	Container and cargo Distribution, freight and repair	USD51,950,000	-	63.00%
15	Xiamen Hongxin Berg Leasing Co. Ltd. ("Hongxin Berg")	Business entity	Xiamen Fujian	Xiamen Fujian	Financial leasing and leasing business	USD21,300,000	-	51.00%
16	Tianjin Zhenhua International Logistics Co. Ltd. ("Zhenhua IL")	Business entity	Tianjin	Tianjin	Non-vessel carrier, freight agent	RMB133,970,000	-	63.00%
17	Brigantine Services (Shenzhen) Co., Ltd. ("Shenzhen Brigantine")	Business entity	Shenzhen Guangdong	Shenzhen Guangdong	Provides a container and ship repair services and related technical	HKD7,500,000	-	58.80%

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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		Business scope	Share capital	Shareholding percentage	
			Place	Main Premises			Direct	Indirect
18	Brigantine Services (Shanghai) Co., Ltd. ("Shanghai Brigantine")	Business entity	Shanghai	Shanghai	Container ship and its parts, mechanical repair, maintenance services	USD510,000	-	58.80%
19	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%
20	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%
21	Yantai CIMC Raffles offshore Ltd. ("CIMC Raffles")	Business entity	Yantai Shandong	Yantai Shandong	Construction of dock; Designation, production of ship; production of equipment of pressure and offshore oil platform	RMB5,131,190,000	-	90.49%
22	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%	-
23	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%
24	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, trailer series	RMB434,300,800	-	57.42%
25	Yangzhou Taili Special Equipment Co., Ltd. ("Yangzhou Taili")	Business entity	Yangzhou Jiangsu	Yangzhou Jiangsu	Manufacture, fix and sale of containers	RMB70,000,000	-	100.00%
26	Tianjin Hongxin Berg Leasing Co. Ltd. ("Tianjin Hongxin Berg")	Business entity	Tianjin	Tianjin	Financial Services	RMB300,000,000	-	100.00%

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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		Business scope	Share capital	Shareholding percentage	
			Place	Main Premises			Direct	Indirect
27	Brigantine International Holdings Limited ("Brigantine International Holdings")	Business entity	Hong Kong	Hong Kong	Investment holding	HKD10,000,000	-	58.80%
28	Brigantine Services Limited ("Hong Kong Brigantine Services")	Business entity	Hong Kong	Hong Kong	Container repair and renovation, container trade	HKD5,000,000	-	58.80%
29	Albert Ziegler GmbH ("Ziegler")*	Business entity	Germany	Germany	Marine engineering design	EUR13,543,000	-	54.91%
30	CIMC Raffles Offshore (Singapore) Limited ("Offshore (Singapore)")	Business entity	Singapore	Singapore	Production of various ship for offshore oil and gas, including jack-up drilling platforms, semi-submersible drilling Platforms, FPSOs, FSOs	SGD594,416,915 & USD453,993,377	-	85.00%
31	Pteris Global Ltd ("Pteris")*	Business entity	Singapore	Singapore	Investment holding	SGD104,781,000	-	54.59%
32	Enric Energy Equipment Holdings Limited ("Enric")	Business entity	Cayman Islands	Cayman Islands	Investment holding	HKD120,000,000	-	67.80%

* The Group has more than half of the voting rights on the company's board of directors, which can be controlled and included in the scope of consolidation of the group.

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021
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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(4) Significant partial disposal of subsidiary equity in current year (without loss of control)

There is no significant partial disposal of subsidiary equity in current period (without loss of control).

(5) Significant transaction with non-controlling interests in current period

There is no significant transaction with non-controlling interests in current 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%
Wangyue Investment	Shenzhen Guangdong	Shenzhen Guangdong	Entrusted asset management and investment management	Yes	-	50.44%
Associates -						
CIMC Industry & City	Shenzhen Guangdong	Shenzhen Guangdong	Real estate	Yes	-	34.44%-62.14%
Zhoushan Changhong	Zhoushan Zhejiang	Zhoushan Zhejiang	Maintenance of ship	No	-	24.91%

The equity mentioned above is measured by equity method.

(2) Excess deficit of joint ventures or associates

There are no excess deficit of joint ventures or associates in the period.

VII. EQUITY OF THE STRUCTURED BODY NOT INCLUDED IN THE CONSOLIDATION RANGE OF THE CONSOLIDATED FINANCIAL STATEMENTS

There is no equity of the structured body not included in the consolidation range of the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021
(All amounts in RMB'000 unless otherwise stated)

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1. The Company does not have any holding company.
2. For the information on the subsidiaries of the Company, refer to Note VI.1.
3. For the information about the joint ventures and associates of the Company, refer to Note VI.2.

In addition to the important the joint ventures and associates have been disclosed in to Note VI, the rest of joint ventures and associates are as follows:

	Main place of business	Registered Address	The nature of the business	The Group activity is strategic	Shareholding percentage - direct	Shareholding percentage - indirect
Joint ventures –						
NKY Zhenhua	Tianjin	Tianjin	Logistic services	No	–	51.00%
Xinghuo Chelian	Shenzhen	Shenzhen	information technology	No	–	28.00%
Jiangsu Wheel Bearing	Zhenjiang	Zhenjiang	Vehicle production	No	–	42.67%
Shenzhen CIMC Tianyi Investment (i)	Shenzhen	Shenzhen	Investment holding	No	–	55.00%
Associates –						
Nantong New Atlantic	Nantong	Nantong	Environmental protection board business	No	–	20.00%
Xingyang Wood	Hongkong	Hongkong	Wood industry	No	–	20.00%
Qingchen bamboo industry	Fujian	Fujian	Bamboo industry	No	–	30.00%
Ningbo Mediterranean	Ningbo	Ningbo	Container services	No	–	49.00%
Qingdao Ganglianhua	Qingdao	Qingdao	Logistic services	No	–	40.00%
Tianzhu International	Shanghai	Shanghai	Logistic services	No	–	30.00%
Xiamen CIMC Haitou	Xiamen	Xiamen	Logistic services	No	–	45.00%
Shitie Special Goods	Beijing	Beijing	Logistic services	No	–	20.00%
Zhejiang Xinlong	Zhejiang	Zhejiang	Bamboo industry	No	–	30.00%
Huashang Guoji (ii)	Houston	Caymans	Onshore and offshore drilling platform operations	Yes	–	6.05%

(i) Tianyi Equity Investment Management contains two partners, the group acts as a limited partner. The day-to-day decision-making vote is made by one partner, one vote and passed by more than half of all partners. Therefore, the Group regards it as a joint venture for subsequent measurement using the equity method, refer to Note IV.16 for details

(ii) The Group's investment in Ocean En-Tech is less than 20%. However, since the Group has appointed directors in the company, the Group believes that it can exert significant influence on the company. Therefore, the Group regards it as an associate for subsequent measurement based on the equity method, refer to Note IV.16 for details.

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021
(All amounts in RMB'000 unless otherwise stated)

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Information of other related parties

Company Name	Connection relationship
SUMITOMO CORPORATION	Minority shareholder of subsidiary
Orient International Container (Lianyungang) Co., Ltd. ("Orient International (Lianyungang)")	Subsidiary of former significant shareholder
Guangdong Excellent Landscape	Minority shareholder of former subsidiary
Orient International Container (Jinzhou) Co., Ltd. ("Orient International (Jinzhou)")	Subsidiary of former significant shareholder
Florens Container Investment (SPV) Limited ("FCI")	Subsidiary of former significant shareholder
Orient International Container (Guangzhou) Co., Ltd. ("Orient International (Guangzhou)")	Subsidiary of former significant shareholder
Florens Asset	Subsidiary of former significant shareholder
Orient Overseas Container Line Ltd. ("OOCL")	Subsidiary of former significant shareholder
Asahi Trading	Minority shareholder of subsidiary
Guangdong Longyue Construction Engineering Co., Ltd. ("Guangdong Longyue Construction")	Minority shareholder of former subsidiary
Guangdong Teng'an Mechanical and Electrical Installation Engineering Co., Ltd. ("Guangdong Teng an")	Minority shareholder of former subsidiary
Wide Shine Development Limited ("Wide Shine Development")	Subsidiary of significant shareholder
Huanyu Oriental International Container (Ningbo) Co., Ltd. ("Huanyu Oriental International (Ningbo)")	Subsidiary of former significant shareholder
Huanyu Oriental International Container (Qingdao) Co., Ltd. ("Huanyu Oriental International (Qingdao)")	Subsidiary of former significant shareholder
Huanyu Oriental International Container (Qidong) Co., Ltd. ("Huanyu Oriental International (Qidong)")	Subsidiary of former significant shareholder
Shenzhen Shekou New Times Real Estate Management Co., Ltd. ("Shekou Real Estate")	Subsidiary of significant shareholder
China Merchants Shekou Industrial Zone Holdings Co., Ltd. ("CMSK")	Subsidiary of significant shareholder
Youlian Shipyard (Shekou) Co., Ltd. Yangzhou Jizhi	Subsidiary of significant shareholder As an associate from the beginning of the reporting period to June 2020
Runyu Real Estate	As an associate from the beginning of the reporting period to June 2020
Ningguo Guangshen	As an associate from the beginning of the reporting period to June 2020
Xuzhou CIMC Wood	As an associate from the beginning of the reporting period to June 2020
Zhangjiagang Huadi Machinery equipment Co., Ltd.	Subsidiary of significant shareholder
Youjia Intelligent Vehicle Management (Shenzhen) Co., Ltd.	Subsidiary of significant shareholder

Note:

- (i) Significant shareholders represent shareholders holding more than 5% (inclusive) of the Company's shares. On October 12, 2020, the Company's shareholder COSCO Shipping Development Co., Ltd. and its subsidiaries signed a share transfer agreement with Shenzhen Capital Holdings Co., Ltd. and its subsidiaries. On December 18, 2020, the share transfer was completed. Since then, COSCO SHIPPING Development Co., Ltd. and its subsidiaries are no longer important shareholders of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021
(All amounts in RMB'000 unless otherwise stated)

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions

The following transactions with related parties were conducted under normal commercial terms or relevant agreements.

(1) Purchase of goods and receiving of services

Related party name	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020
– Purchase of goods		
Shaanxi Heavy Duty Automobile	272,930	93,026
Y&C Engine	124,978	287,123
Zhejiang Xinlong	192,902	10,141
Jiangsu Wanjing	29,293	8,443
Zhangjiagang Huadi Machinery equipment	17,548	–
SUMITOMO CORPORATION	3,048	4,999
Nantong CIMC Xinyu	12	–
Qingchen Bamboo Industry	–	46,393
Asahi Trading	–	28,129
Ningguo Guangshen	–	10,003
Other related parties	–	5,970
Sub-total	640,711	494,227
– Receiving of services		
Other related parties	16,189	17,481
Sub-total	16,189	17,481

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021
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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

Related party name	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020
– Sale of goods		
Shaanxi Heavy Duty Automobile	707,381	396,631
Orient International (Jinzhou)	52,525	–
Huanyu Oriental International (Qidong)	34,283	2,206
SUMITOMO CORPORATION	20,788	63,917
Orient International (Lianyungang)	17,111	6,527
Huanyu Oriental International (Ningbo)	13,116	11,746
Huanyu Oriental International (Qingdao)	12,285	4,974
Zhoushan Changhong	1,570	76,602
Y&C Engine	948	6,360
Xiamen CIMC Haitou	204	1,231
Youlian Shipyard	52	145
Guangxi South CIMC Logistics equipment	17	–
Jiangsu Wanjing	2	15,014
Wide Shine Development	–	21,390
Other related parties	–	1,319
Sub-total	860,282	608,062
– Rendering of services		
Tianzhu International	61,960	13,999
Other related parties	6,223	13,017
Sub-total	68,183	27,016

(3) Leasing

The short term lease income recognized by the Group as the lessor in the year:

Lessee's name	Types of leased assets	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020
Ocean En-Tech	Jack-up drilling platform	59,399	59,766
Qingdao Ganglianhua	Container Yard	2,112	3,658
NKY Zhenhua	Vehicle	–	543
Youjia Intelligent Vehicle Management	Vehicle	–	209
Sub-total		61,511	64,176

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021
(All amounts in RMB'000 unless otherwise stated)

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(3) Leasing (Continued)

The financial lease income recognized by the Group as the lessor in the year:

Lessee's name	Types of leased assets	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2021
New Horizon Shipping UG	Ship	22,510	25,223
Hongxin Venture Workshop	Commercial factoring	3,921	2,084
Zhongyi Xinwei	Energy equipment	512	614
Lihua Energy	Energy equipment	–	3
Sub-total		26,943	27,924

The interest expense of the lease liability assumed by the Group as the lessee in the current year:

Lessor's name	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020
Shekou Real Estate	426	14
CIMC Industry & City and its subsidiaries	79	–
Sub-total	505	14

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021
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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(4) Financing

Related party name	Amount	Starting date	Ending date	Interest income earned/interest expense recognized for the period from 1 January to 30 June 2021	Note
Financing provided					
CIMC Industry & City and its subsidiaries	332,068	31 December 2019	Repayment date not fixed	4,299	Loans for shareholder operation
		31 December 2018	Repayment date not fixed		Loans for shareholder operation
		27 April 2018	Repayment date not fixed		Loans for shareholder operation
		31 March 2018	Repayment date not fixed		Loans for shareholder operation
		5 June 2019 to 14 May 2021	25 May 2022		Loans for shareholder operation
Ningxia Yuanshan	60,239	18 June 2021	Repayment date not fixed	-	Financing
		31 March 2019	Repayment date not fixed		Financing
Tianjin Changlu Haijing	10,000	19 February 2019	18 February 2022	184	Financing
Xingyang Wood	4,056	20 June 2006	Repayment date not fixed	-	Loans for Proportionate shareholder operation
	<u>406,363</u>				

(5) Other related party transactions

- (i) 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 2021 are as follows:

Name	Position	Number of granted share options (in'0000)
Gao Xiang	Chairman	40
Yu Yuqun	Vice Chairman	60
Total		100

For detailed information for fair value of the granted share options aforesaid, please refer to Note IX.

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021
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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', supervisors' and key management personnel's emoluments for the period from 1 January 2021 to 30 June 2021 are as follows:

Name	Remuneration	Emoluments for other management service of the Company or subsidiaries				Total	
		Salary and allowance	Pension	Bonus	Others		
Directors							
Mai Boliang	-	1,590	36	13,658	227	15,511	
Hu Xianfu	-	-	-	-	-	-	
Liu Chong	Note (i)	-	-	-	-	-	
Zhu Zhiqiang	-	-	-	-	-	-	
Kong Guoliang	-	-	-	-	-	-	
Deng Weidong	-	-	-	-	-	-	
Ming Dong	-	-	-	-	-	-	
He Jiale	120	-	-	-	-	120	
Pan Zhengqi	120	-	-	-	-	120	
Lv Fengmeiyi	120	-	-	-	-	120	
Sub-total	360	1,590	36	13,658	227	15,871	
Supervisors							
Lin Feng	Note (ii)	-	-	-	-	-	
Lou Dongyang	-	-	-	-	-	-	
Xiong Bo	-	112	-	416	-	528	
Shi Lan	-	-	-	-	-	-	
Sub-total	-	112	-	416	-	528	
Other Senior Executives							
Gao Xiang	Note (i)	-	903	64	4,436	17	5,420
Li Yinhui	-	741	63	2,707	17	3,528	
Huang Tianhua	-	711	64	4,468	17	5,260	
Yu Yuqun	-	886	36	4,222	17	5,161	
Zeng Han	-	604	62	3,752	17	4,435	
Wu Sanqiang	Note (iii)	-	188	25	3,829	9	4,051
Sub-total	-	4,033	314	23,414	94	27,855	
Total	360	5,755	350	37,488	321	44,254	

Note (i): On 9 March 2021, Mr. Liu Chong resigned as a director, vice Chairman and member of the Strategy Committee of the Board of Directors of the Company due to job changes. Upon his resignation, Mr. Liu Chong will no longer serve in the Company. On the same day, Mr. Gao Xiang resigns as a director of the Company due to a change in employment. Mr. Gao Xiang's position as president of the Company and other positions held by the company's subsidiaries will remain unchanged after his resignation.

Note(ii): On 9 March 2021, Mr. Lin Feng requested to resign as the supervisor of the Company and the supervisor representing the shareholders due to the change of work arrangement. After his resignation, Mr. Lin Feng will no longer hold office in the Company. Since Mr. Lin Feng's withdrawal from the position of supervisor will result in the number of members of the Board of Supervisors of the Company falling below the statutory minimum, the effective date of Mr. Lin Feng's resignation will be the date on which the new supervisor is approved by the shareholders at the General meeting of shareholders of the Company. Until then, Mr. Lin Feng will continue to perform his duties as supervisor.

Note(iii): On 29 March 2021, at the 7th meeting of the 9th Board of Directors of 2021, the company agreed to appoint Mr. Wu Sanqiang as the Secretary of the Board of Directors and joint Secretary of the Company for a term of three years, beginning on 30 March, 2021 and ending at the annual Board of Directors of 2024.

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021
(All amounts in RMB'000 unless otherwise stated)

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', supervisors' and key management personnel's emoluments for the period from 1 January 2020 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

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021
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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)*

Other benefits mainly consists of housing funds, pensions, medical insurance, etc.

(iii) *Termination benefits for directors*

For the period from 1 January 2021 to 30 June 2021, there was no compensation for directors with terminated appointment from the Company and the subsidiaries (1 January 2020 to 30 June 2020: Nil).

(iv) *Consideration paid to third parties for service of directors*

For the period from 1 January 2021 to 30 June 2021, there was no consideration paid to third parties for service of directors (1 January 2020 to 30 June 2020: Nil).

(v) *Loans, quasi-loans offered and other transactions with directors, legal entities controlled by directors and their related persons*

As at 30 June 2021, there were no loans, quasi-loans and guarantees offered to directors, legal entities controlled by directors and their related persons (30 June 2020: Nil).

(vi) *Significant interest of directors in transactions, arrangement and contracts*

For the period from 1 January 2021 to 30 June 2021, 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 (1 January 2020 to 30 June 2020: 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.11 for details of current portion of non-current assets.

Refer to Note IV.15 for details of long-term receivables.

Refer to Note IV.30 for details of accounts payables.

Refer to Note IV.32 for details of contract liabilities.

Refer to Note IV.35 for details of other payables.

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021
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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

7. Commitments in relation to related parties

As at 30 June 2021, there are no commitments in relation to related parties contracted for but not yet necessary to be recognized on the balance sheet by the Group.

IX. SHARE-BASED PAYMENTS

1. Summary of the Group's major 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 Enric were 11,076,000.
Total equity instruments forfeited during the year	Nil
The exercise price of outstanding share options at the end of the year and residual life of the share options contracts	Equity-settled share options granted by Enric in 2011 and 2014: HKD2.48 and HKD11.24 per share respectively, the residual life of contract is 2.04 years.

Expenses recognized for the year arising from share-based payments are as follows:

	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020
Equity-settled share-based payment	11,984	6,581

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 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 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 38,200,000, with the exercise price of HKD2.48 per share, and the exercise period was 8 years, 7 years and 6 years respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021
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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)

(a) Share option (Continued)

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 Plan III, the board of directors of the company was authorised to grant share options to the key management personnel and other employees of Enric 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, and the exercise period was 8 years, 7 years and 6 years respectively.

Movement of share options of Enric:

	For the period from 1 January to 30 June 2021 '000	For the period from 1 January to 30 June 2020 '000
Beginning balance	48,634	50,456
Exercised in current period	(11,076)	(52)
Cancelled in current period	-	-
Forfeited in current period	-	(340)
Ending balance	37,558	50,064

The main parameters of the fair value of stock options are listed as follows:

	28 October 2011	5 June 2014
Option exercise price	HKD2.48	HKD11.24
The validity period of the option	10 years	10 years
Current price of the underlying shares	HKD4.64	HKD4.64
Expected stock price volatility	55.98%	45.89%
Estimated dividend rate	2.67%	1.55%
Risk-free interest rate during the validity period of the option	1.57%	2.04%

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021
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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 (2018)

The shareholders of Company approved the Restricted Share Award Scheme (2018) (the "2018 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 2018 Award Scheme subscribed for the restricted shares at HKD3.71 per share (the "Subscription Price"). Under the terms of the 2018 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 2018 Award Scheme are to be forfeited.

Number of restricted shares outstanding at the beginning of the year	19,036,700
Restricted shares vested during the year	(19,036,700)
Number of restricted shares outstanding at the end of the year	–

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).

(c) Restricted share award scheme (2020)

The board of directors of Enric, a subsidiary of the Group, adopted the 2020 Share Incentive Plan ("2020 Incentive Plan") on April 3, 2020. According to the 2020 Incentive Plan, Enric's board of directors has the sole discretion to select any Enric employee as a qualified participant of the plan. Enric's board of directors can also determine the number of shares to be granted in the future (subject to any unlocking conditions) and the consideration (if any) that eligible participants need to pay. Enric's board of directors has appointed a trustee to use Enric's resources to purchase Enric's shares on the Hong Kong Stock Exchange. The trustee will hold these shares in accordance with the terms of the trust contract and transfer these shares to the relevant participants after the relevant unlocking conditions are fulfilled.

As of 30 June 2021, the trustee has purchased 39,198,000 shares of Enric according to the 2020 Incentive Plan, at a price of HKD5.15 to HKD5.50 per share, and the shares have not been granted to any employees.

NOTES TO THE FINANCIAL STATEMENTS

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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)

(d) *Share award plan of CIMC Safe Tech. (2020)*

Enric's board of directors approved CIMC Safe Tech's share award plan ("CIMC Safe Tech's incentive plan") on November 27, 2020, to recognize the past and present contributions of the incentive objects to the chemical and environmental business segments and to encourage those who will continue to contribute in the future. According to this plan, CIMC Safe Tech's equity will pass through the partnership platform company ((Zhuhai Zilang Enterprise Management Center (Limited Partnership) ("Zhuhai Zilang")), Zhuhai Pengrui Senmao Enterprise Management Partnership (Limited Partnership) ("Zhuhai Pengrui")). After subscribing to the new share capital of CIMC Safe Tech, incentives will be granted, with a total subscription amount of approximately RMB139,719,000. Upon completion of the capital increase under this plan, CIMC Safe Tech's share capital will be increased by 10%, and the registered capital will be increased from RMB459,000,000 to RMB510,000,000. The lock-up period of Zhuhai Zilang is 1 year after the listing of CIMC Safe Tech, and 3 years after the listing of Zhuhai Pengrui; the amortization service period of Zhuhai Zilang is 50 months, and the amortization service period of Zhuhai Pengrui is 50 months. Based on the appraised value of all shareholders' equity and the number of shares of CIMC Safe Tech, the fair value per share on the grant date is RMB4.5139. As of 30 June 2021, the unlocking conditions have not been met, and the incentive object is temporarily unable to enjoy CIMC Safe Tech.'s period profit.

(2) Information on equity-settled share-based payment of Modern Logistics

In 2020, in accordance with the Core Employee Stock Ownership Plan of Modern Logistics Development Co., Ltd., the employee shareholding platform Jizhi Co-Creation (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) ("Jizhi Co-Creation") contributed RMB291,230,000 to Modern Logistics, of which RMB239,090,000 was used to subscribe for the unpaid registered capital of RMB178,674,000 of Modern Logistics transferred to CIMC Group; RMB52,140,000 was used to subscribe to the newly-increased registered capital of Modern Logistics RMB38,965,000 yuan. The difference between the equity consideration obtained by Jizhi Co-creation and the fair value of the corresponding net assets of Modern Logistics is included in management expenses and capital reserves.

In 2020, Modern Logistics signed an agreement with Feiyu Zhihui (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) ("Feiyu Zhihui"), and Modern Logistics transferred 20% equity of its wholly-owned subsidiary, Dongguan CIMC Little Flyingfish Logistic Technology Co., Ltd. ("CIMC Little Flyingfish") to Feiyu Zhihui. the transfer consideration is RMB2,700,000. The difference between the consideration of equity acquired by Feiyu Zhihui and the fair value of the corresponding net assets of that part of the equity is included in management expenses and capital reserves.

(3) Information on equity-settled share-based payment of Beijing Jingxin Technology

In 2020, the board of directors of Beijing Jingxin Technology, a subsidiary of the group, passed the "Beijing CIMC Jingxin XiangNeng Technology Co., Ltd. Equity Incentive Management Measures", using Ningbo Jingxin Shengshi Enterprise Management Partnership (Limited Partnership) as an employee shareholding platform, the company granted incentive equity to employees that met the incentive conditions by transferring the property share of the employee's shareholding platform company. In 2020, the original shareholders of Ningbo Jingxin Shengshi Enterprise Management Partnership (Limited Partnership) granted qualified employees 4.9% of their equity. The difference between the consideration of the equity acquired by employees and the fair value of the corresponding net assets of this part of equity is included in management expenses and capital Provident.

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IX. SHARE-BASED PAYMENTS (CONTINUED)

3. Summary of equity-settled share-based payment

As at 30 June 2021, accumulated amount recognized in capital reserve for equity-settled share-based payments	469,247
Total expenses recognized for equity-settled share-based payments for current year Including:	
– attributed to Enric	11,984
	11,984

X. CONTINGENCIES

1. Guarantees provided for external parties

CIMC Vehicle, a subsidiary of the Group, signed contracts with China Merchants Bank, China Guangfa Bank, Huishang Bank and Industrial Bank, which was granted to the distributors and customers of CIMC Vehicle and its subsidiaries arising from purchase of vehicle products. As at 30 June 2021, the aggregate amount of credit facilities in respect of which the Group and its subsidiaries provided guarantees to the distributors and customers was RMB2,160,781,000 (31 December 2020: RMB1,709,171,000).

The Group's subsidiary, Shaanxi CIMC Vehicles Industrial Park Investment Development Co., Ltd. cooperated with Shaanxi Xianyang Qindu Rural Commercial Bank in mortgage credit cooperation and signed a property loan guarantee contract, providing phased guarantee to the loans that the customers of the company obtained from the relevant banks for purchasing properties. As at 30 June 2021, the aggregate customer financing loans in respect of which Shaanxi Vehicles Industrial Park provided guarantees, was approximately RMB12,750,000 (31 December 2020: RMB13,022,000).

The Group's subsidiary, C&C Trucks and its subsidiaries carried out vehicle buyer credit business and signed vehicle loan guarantee contracts with external banks, providing credit guarantee to the relevant banks for their financing to the distributors and customers of C&C Trucks and its subsidiaries arising from purchase of vehicle products. As at 30 June 2021, the aggregate amount of credit facilities of the distributors and customers in respect of which C&C Trucks and its subsidiaries provided guarantees was approximately RMB670,397,000 (31 December 2020: RMB791,927,000).

The Company provided guarantees for the financing business of Shenzhen CIMC Skyspace Real Estate Development Co., Ltd., an associate of the Company. As at 30 June 2021, the aggregate amount of financing loans in respect of which the Company provided guarantees was approximately RMB1,088,062,000 (CIMC Skyspace Real Estate has been deconsolidated in October 2020. As at 31 December 2020, the aggregate amount of financing loans in respect of which the Company provided guarantees was RMB1,660,657,000).

The Group considers the exposure to the risks relating to above matters to be small and there's no need to make provisions.

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X. CONTINGENCIES (CONTINUED)

2. Notes payable issued but not accounted for, outstanding letters of credit issued and outstanding performance guarantees issued

The Group currently does not recognise notes payable or letter of credit issued as deposits. The Group accounted for the corresponding inventories or prepayments and notes payable at the earlier of the date of delivery of goods and the maturity date of the notes. As at 30 June 2021, the Group had notes payable issued but not accounted for amounted to RMB24,450,000 (31 December 2020: RMB146,785,000) and outstanding letters of credit issued amounted to RMB409,642,000 (31 December 2020: RMB465,345,000).

As at 30 June 2021, the Company had outstanding balance of guarantees issued of RMB149,662,000, EUR36,264,000 (equivalent to RMB278,733,000), USD182,809,000 (equivalent to RMB1,180,965,000) and GBP5,670,000 (equivalent to RMB50,695,000), totaling RMB1,660,055,000 (total amount as at 31 December 2020: RMB5,001,041,000).

As at 30 June 2021, the subsidiaries of the Group had the amount of outstanding performance guarantees issued by banks amounting to RMB1,574,577,000, primarily including the balance of advance payment guarantees of RMB478,873,000, the balance of quality guarantees (including foreign guarantees) of RMB117,079,000, the balance of other non-financing guarantees of RMB6,842,000 and the balance of performance guarantees of RMB922,127,000 (31 December 2020: RMB1,853,669,000).

The Group considers the exposure to the risks relating to above matters to be small and there's no need to make provisions.

XI. COMMITMENTS

1. Significant commitments

(1) Capital commitments

	For the Period from 1 January to 30 June 2021	2020
Fixed assets purchase contracts entered into but not performed or performed partially	163,432	82,566
External investment contracts entered into but not performed or performed partially	6,354	36,369
Total	169,786	118,935

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XII. EVENTS AFTER THE BALANCE SHEET DATE

1. On 7 July 2021, CIMC Vehicles had completed A Shares Offering. The A Shares of CIMC Vehicles will be listed and commenced trading on the ChiNext Market of the Shenzhen Stock Exchange on 8 July 2021. For relevant details, 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] 2021-050, [CIMC] 2021-065 and [CIMC] 2021-069) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 19 May 2021, 21 June 2021 and 7 July 2021.
2. On 23 August 2021, the 20th meeting of the ninth session of the Board of the Company in 2021 considered and passed the relevant resolution, and agreed that CIMC Shilianda Logistics Technology (Group) Co., Ltd. formerly known as "CIMC Modern Logistics Development Co., Ltd.", with the name changed on 21 July 2021), a majority-owned subsidiary of the Company, would participate in the tendering of 25% equity interest of Zhenhua Logistics Group Co., Ltd. with the reserve price of not more than RMB374,037,650. For relevant information, please refer to the announcements published by the Company on the 23 August 2021 (Announcement Nos.: [CIMC]2021-076 and [CIMC]2021-077) and the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk).

XIII. SEGMENT REPORTING

In accordance with the Group's internal organisation structure, management requirement and internal reporting process, nine reportable segments are identified by the Group, including: Container manufacturing, road transportation vehicles, energy, chemical and liquid food equipment, offshore engineering, airport facilities and logistics, fire safety and rescue business, heavy trucks, logistics services, finance and asset management and recycled load business. Each reportable segment is an independent business segment providing different products and services. Independent management is applied to individual business segments as different technical and market strategies are adopted. The Group's management reviews the financial information of individual business segments 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 reviews assets, liabilities, revenue, expenses and operating results of each segment regularly. The preparation basis of such information is detailed as follows:

Segment assets include current assets of each segment, such as tangible assets, intangible assets, other long-term assets and receivables, but exclude deferred income tax assets and other un-allocated headquarters assets. Segment liabilities include payables, bank borrowings, provisions, special payables and other liabilities of each segment, while deferred tax liabilities are excluded.

Segment operating results represents revenue (including external revenue and inter-segment revenue), offsetting segment expenses, depreciation and amortisation and impairment losses attributable to assets of each segment, net interest expenditure generated from bank deposits and bank borrowings directly attributable to each segment. Transactions conducted among segments are under similar 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	Road	Energy,	Offshore	Airport	Heavy trucks	Logistics	Finance	Recycled	Other	Elimination	Total
	manufacturing	transportation	chemical	equipment	facilities	services	and asset	load	segments	between		
	For the	vehicles	and liquid	engineering	and	and rescue	management	management	segments	segments		
	Period from	For the	food	For the	logistics,	For the						
1 January to	1 January to	For the	1 January to	fire safety	1 January to							
30 June 2021	30 June 2021	30 June 2021	30 June 2021	and rescue	30 June 2021							
External revenue	26,782,336	17,560,940	8,077,587	2,820,226	2,816,907	839,642	9,814,199	852,163	2,411,209	1,571,828	(362,488)	73,184,549
Inter-segment revenue	668,473	150,904	237,405	(1,548)	16,098	33,035	111,446	200,426	215,574	666,645	(2,298,458)	-
Cost of sales from principal operations	20,816,923	15,897,026	6,918,454	2,645,266	2,154,881	858,790	9,304,007	408,096	2,157,408	1,931,227	(2,769,130)	60,322,948
Investment (loss)/income in associates and joint ventures	20,413	2,159	(678)	(1,344)	1,796	(231)	10,822	11,249	8,866	(150,313)	-	(97,261)
Assets impairment losses for the year	4,238	22,090	7,089	30	16,859	-	(18)	43,000	-	1,411	16,390	111,089
Depreciation and amortization expenses	185,433	244,167	214,310	393,503	99,739	74,092	130,865	313,733	50,463	34,127	(140,608)	1,599,824
Interest income	72,979	26,035	8,290	28,467	4,744	366	7,641	104,975	3,303	889,920	(1,286,538)	(139,818)
Interest expenses	39,420	28,250	34,079	499,234	29,575	44,182	13,679	75,051	18,032	836,491	(901,871)	716,122
Total profit/(losses)	5,728,753	881,614	438,593	(662,202)	209,008	(114,545)	217,204	332,179	267,752	(24,668)	(414,475)	6,859,213
Income tax expenses	1,334,871	120,964	90,692	18,163	29,415	183	51,283	143,051	38,802	43,719	(57,426)	1,813,717
Net profit/(losses)	4,393,882	760,650	347,901	(680,365)	179,593	(114,728)	165,921	189,128	228,950	(68,387)	(357,049)	5,045,496
Total assets	30,210,454	22,222,549	17,839,352	34,346,362	9,100,788	3,443,116	6,290,921	45,287,340	2,912,675	49,308,055	(63,525,864)	157,435,793
Total liabilities	17,307,923	11,203,279	10,220,442	38,183,793	5,764,447	3,504,238	4,244,464	44,090,295	1,959,910	45,499,629	(81,754,568)	100,223,852
Other material non-cash items:												
- Other non-cash expenses/(income) other than depreciation and amortization	229,669	73,206	58,361	(5,895)	15,013	(2,036)	5,192	51,312	6,144	109,786	1,343	542,095
- Long-term equity investments of associates and joint ventures	931,748	73,674	64,165	107,491	33,251	245,625	387,321	546,852	71,046	6,201,394	-	8,662,567
- Amount of additions to non-current assets other than long-term equity investment, financial assets and deferred tax assets	1,212,602	747,330	327,184	56,693	195,360	849	265,756	1,118,813	154,170	99,165	(614,890)	3,563,032

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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	facilities	Offshore	and logistics,	Logistics	Industrial city	Finance	Recycled	Other	Elimination		
	For the	For the	liquid food	and rescue	engineering	fire safety	services	development	and asset	load	segments	segments		
	Period from	Period from	equipment	business	For the	and rescue	For the	Period from	management	For the	For the	For the	For the	
	1 January to	1 January to	For the	Heavy trucks	1 January to	business	Period from	1 January to	For the	1 January to	1 January to	1 January to	1 January to	
	30 June 2020	30 June 2020	Period from	For the	1 January to	and rescue	30 June 2020	30 June 2020	30 June 2020	30 June 2020	30 June 2020	30 June 2020	30 June 2020	
External revenue	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 revenue	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 principal 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 (loss)/income in associates and joint ventures	-	6,013	(1,581)	-	1,426	13,868	7,725	23,914	-	3,580	(54)	-	54,891	
Assets impairment losses	-	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	
Total profit/(losses)	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/(losses)	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	
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	
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	
Other material non-cash items:														
- Other non-cash expenses/(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 investments of associates and joint ventures	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	
- Amount of additions to non-current assets other than long-term equity investment, financial assets and deferred tax 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)

2. Geographic information

The following table sets out information about the geographical information of the Group's revenue from external customers and the Group's non-current assets (excluding financial assets and deferred tax assets, same for the below). The geographical locations of customers are based on the location at which the services were provided or the goods were delivered. The geographical locations of the specified non-current assets are based on the physical location of the assets (for fixed assets), or the location of the business to which they are allocated (for intangible assets and goodwill), or the location of operations of the associates and joint ventures.

Geographic information (according to the receiving party division)

	Revenue from external customers		Total non-current assets	
	For the Period from 1 January to 30 June 2021	For the Period from 1 January to 30 June 2020	30 June 2021	31 December 2020
PRC	38,036,716	24,450,132	52,992,652	52,156,469
Asia (exclusive of PRC)	6,553,420	3,253,159	363,890	237,925
America	12,616,824	4,795,277	9,731,282	9,919,494
Europe	14,536,134	6,394,783	1,642,283	1,662,082
Others	1,441,455	538,456	182,246	168,347
Total	73,184,549	39,431,807	64,912,353	64,144,317

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 16.86% (2020: 18.96%) 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 and the Company do not provide any other guarantees which would expose the Group or the Company to credit risk. The maximum exposure to credit risk in respect of these financial guarantees at the balance sheet date is disclosed in Note X.

As at 30 June 2021, the Group has no significant collateral or other credit enhancements held as a result of the debtor's mortgage (31 December 2020: Nil).

2. Liquidity risk

Liquidity risk is the risk that an enterprise may encounter deficiency of funds in meeting obligations associated with financial liabilities. The Company is responsible for the cash management, including short term investment of cash surpluses and the raising of loans to cover expected cash demands, for individual subsidiaries subject to approval by the Company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its short-term and long-term liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities.

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

2. Liquidity risk (Continued)

The following tables show the remaining contractual maturities at the balance sheet date of the Group's financial assets and financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or if floating, based on prevailing interest rates at 30 June) and the earliest date the Group can be required to pay:

	30 June 2021					Total	Carrying amount at balance sheet date
	Undiscounted contractual cash flow						
	Within 1 year or on demand	1 to 2 years	2 to 5 years	Over 5 years			
Financial assets							
Cash at bank and on hand	13,152,813	-	-	-	13,152,813	13,152,813	
Financial assets held for trading	140,282	-	-	-	140,282	140,282	
Derivative financial assets	433,762	-	-	-	433,762	433,762	
Note receivables	527,309	-	-	-	527,309	527,309	
Accounts receivables	26,439,819	-	-	-	26,439,819	26,439,819	
Receivables financing	1,137,820	-	-	-	1,137,820	1,137,820	
Current portion of non-current assets	6,305,068	-	-	-	6,305,068	4,147,195	
Other receivables	3,783,411	-	-	-	3,783,411	3,783,411	
Other non-current financial assets	-	1,380	159,735	-	161,115	161,115	
Long-term receivables	-	3,265,751	1,988,098	10,005,715	15,259,564	10,852,577	
	51,920,284	3,267,131	2,147,833	10,005,715	67,340,963	60,776,103	
Financial liabilities							
Short-term borrowings	8,942,241	-	-	-	8,942,241	8,942,241	
Derivative financial liabilities	616,790	-	-	-	616,790	616,790	
Notes payables	5,674,592	-	-	-	5,674,592	5,674,592	
Accounts payables	19,458,652	-	-	-	19,458,652	19,458,652	
Debentures payable	145,400	4,043,216	-	-	4,188,616	4,104,811	
Other payables	5,140,680	-	-	-	5,140,680	5,140,680	
Current portion of non-current liabilities	10,431,951	-	-	-	10,431,951	10,431,951	
Other current liabilities	26,716	-	-	-	26,716	242,989	
Long-term borrowings	1,057,247	7,109,121	17,252,894	835,145	26,254,407	22,445,501	
Lease liabilities	-	118,163	269,466	258,559	646,188	644,718	
Long-term payables	-	91,164	-	-	91,164	91,164	
Other non-current liabilities	-	20,905	20,248	-	41,153	38,420	
	51,494,269	11,382,569	17,542,608	1,093,704	81,513,150	77,832,509	
Net total	426,015	(8,115,438)	(15,394,775)	8,912,011	(14,172,187)	(17,056,406)	

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

2. Liquidity risk (Continued)

As at 30 June 2021, 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.

	31 December 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	12,181,415	-	-	-	12,181,415	12,181,415
Financial assets held for trading	198,279	-	-	-	198,279	198,279
Derivative financial assets	768,058	-	-	-	768,058	768,058
Note receivables	362,002	-	-	-	362,002	362,002
Accounts receivables	18,635,765	-	-	-	18,635,765	18,635,765
Receivables financing	1,544,177	-	-	-	1,544,177	1,544,177
Current portion of non-current assets	5,410,888	-	-	-	5,410,888	4,149,537
Other receivables	6,765,030	-	-	-	6,765,030	6,747,538
Other non-current financial assets	-	605	101,885	-	102,490	102,490
Long-term receivables	-	3,248,077	2,187,576	12,152,841	17,588,494	11,977,276
	45,865,614	3,248,682	2,289,461	12,152,841	63,556,598	56,666,537
Financial liabilities						
Short-term borrowings	8,516,376	-	-	-	8,516,376	8,416,701
Derivative financial liabilities	747,781	-	-	747,781	747,781	747,781
Notes payables	3,829,510	-	-	-	3,829,510	3,829,510
Accounts payables	13,447,074	-	-	-	13,447,074	13,447,074
Debentures payable	226,400	6,136,833	-	-	6,363,233	6,089,486
Other payables	4,048,006	-	-	-	4,048,006	4,048,006
Current portion of non-current liabilities	15,197,371	-	-	-	15,197,371	14,585,373
Other current liabilities	15,800	-	-	-	15,800	15,800
Long-term borrowings	889,236	6,639,329	13,977,925	1,447,441	22,953,931	19,562,326
Lease liabilities	-	135,601	271,791	258,379	665,771	617,794
Long-term payables	-	135,356	-	-	135,356	71,994
Other non-current liabilities	-	40,649	20,248	-	60,897	56,956
	46,917,554	13,087,768	14,269,964	1,705,820	75,981,106	71,488,801
Net total	(1,051,940)	(9,839,086)	(11,980,503)	10,447,021	(12,424,508)	(14,822,264)

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For the period from 1 January 2021 to 30 June 2021
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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 2021				
Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
393,926	1,677,794	1,860,270	–	3,931,990

31 December 2020				
Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
464,992	758,398	1,310,730	–	2,534,120

- (ii) As at the balance sheet date, the cash flows of lease contracts that the Group has signed but not yet executed are listed as follows based on the maturity date:

	30 June 2021				
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Future contractual cash flows not included in lease liabilities	–	–	–	–	–

	31 December 2020				
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Future contractual cash flows not included in lease liabilities	7,677	5,758	–	–	13,435

- (iii) Bank and other borrowings are analysed by repayment terms as follows:

	30 June 2021		31 December 2020	
	Bank borrowings	Other borrowings	Bank borrowings	Other borrowings
Within 1 year	15,100,994	4,077,650	20,774,805	2,017,874
1 to 2 years	6,395,721	4,104,811	6,016,485	6,089,486
2 to 5 years	15,332,168	–	12,319,914	–
over 5 years	717,612	–	1,225,927	–
	37,546,495	8,182,461	40,337,131	8,107,360

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

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 2021, the Group's long-term interest-bearing debts were mainly RMB-denominated floating-rate contracts with an amount of RMB15,408,983,000 (31 December 2020: RMB12,222,594,000).

As at 30 June 2021, it is estimated that a general increase/decrease of 50 basis (31 December 2020: 50 basis) in floating interest rates, with all other factors held constant, would decrease/increase the Group's net profit by approximately RMB57,784,000 (31 December 2020: RMB45,835,000).

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.

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

4. Foreign exchange risk (Continued)

- (1) Besides the exposure to currency risk arising from derivative financial instruments disclosed in Note IV.3, Note IV.14 and IV.43, the Group's exposure as at 30 June to currency risk arising from recognized assets or liabilities denominated in foreign currencies is follows. The items shown below for foreign currency exposures are foreign currency items held by subsidiaries whose base currency are not U.S. dollars, Euro, Hong Kong dollars and Japanese yen, respectively. 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 2021				31 December 2020			
	USD	EUR	HKD	JPY	USD	EUR	HKD	JPY
Cash at bank and on hand	3,422,554	1,014,280	557,588	7,391	3,312,441	704,654	351,344	59,394
Receivables	11,380,346	50,563	22,685	46,372	6,381,495	155,655	23,372	52,602
Contract Assets	-	-	900	-	61,662	-	-	-
Short-term borrowings	(962,642)	-	(299,000)	-	(2,460,303)	(296,586)	(119,047)	-
Lease liabilities	-	-	(188)	-	(6,864)	-	(4,967)	-
Long-term borrowings	-	-	(249,624)	-	(1,736,634)	-	-	-
Payables	(1,296,404)	(67,064)	(9,818)	(1,202)	(1,798,344)	(9,063)	(3,552)	(264)
Current portion of non-current liabilities	-	-	-	-	-	(577)	-	(2,849)
Gross balance sheet exposure	12,543,854	997,779	22,543	52,561	3,752,876	554,660	244,301	111,732

As at 30 June 2021 and 31 December 2020, 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 2021				31 December 2020			
	RMB	EUR	HKD	JPY	RMB	EUR	HKD	JPY
Cash at bank and on hand	449,678	1,359	10,485	-	586,724	19,855	35,235	-
Receivables	1,053,695	1,450	1,261	-	146,991	-	-	-
Receivables financing	14,984	-	-	-	82,274	-	-	-
Contract Assets	73,083	-	-	-	-	-	-	-
Short-term borrowings	(250,827)	(224,058)	-	-	(349,710)	(269,331)	-	-
Lease liabilities	(143,520)	-	(4,090)	-	-	-	-	-
Payables	(1,445,569)	(56,142)	(11)	-	(880,915)	-	-	-
Current portion of non-current liabilities	(3,628)	-	(1,230)	-	-	-	(2,474)	-
Gross balance sheet exposure	(252,104)	(277,391)	6,415	-	(414,636)	(249,476)	32,761	-

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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 and the Company:

	Average exchange rate		Middle rate at the balance sheet date	
	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020	30 June 2021	31 December 2020
	USD	6.4641	7.0568	6.4599
EUR	7.7760	7.8016	7.6864	8.0257
HKD	0.8327	0.9095	0.8321	0.8416
JPY	0.0584	0.0658	0.0584	0.0632

(3) Sensitivity analysis

Assuming that other risk variables other than the exchange rate remain unchanged, the Group's exchange rate changes of the RMB against the U.S. dollar, Hong Kong dollar, Euro and Japanese yen on 30 June 2021 caused the RMB to appreciate or depreciate by 5% (the exchange rate changes of the RMB against the U.S. dollar, Hong Kong dollar, Euro and Japanese yen on 31 December 2020 caused the RMB to appreciate or depreciate by 5%), which will result in an increase (decrease) in shareholder equity and net profit as follows. This effect is converted into RMB and presented at the spot exchange rate on the balance sheet date.

	Shareholder equity	Net profit
30 June 2021		
USD	(470,395)	(470,395)
EUR	(37,417)	(37,417)
HKD	(845)	(845)
JPY	(1,971)	(1,971)
	(510,628)	(510,628)
31 December 2020		
USD	(140,733)	(140,733)
EUR	(20,800)	(20,800)
HKD	(9,161)	(9,161)
JPY	(4,190)	(4,190)
	(174,884)	(174,884)

As at 30 June 2021, for companies whose bookkeeping base currency is the U.S. dollar, the exchange rate for RMB, Euro, Hong Kong dollar and Japanese yen will appreciate or depreciate by 5% (the exchange rate for RMB, Euro, Hong Kong dollar and Japanese yen on 31 December 2020 will appreciate or depreciate by 5%) will lead to an increase (decrease) in shareholders' equity and net profit as follows. This effect is converted into RMB and presented at the spot exchange rate on the balance sheet date.

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

4. Foreign exchange risk (Continued)

(3) Sensitivity analysis (Continued)

	Shareholder equity	Net profit
30 June 2021		
RMB	9,454	9,454
EUR	10,402	10,402
HKD	(241)	(241)
JPY	-	-
	19,616	19,616
31 December 2020		
RMB	15,549	15,549
EUR	9,355	9,355
HKD	(1,229)	(1,229)
JPY	-	-
	23,675	23,675

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.14 and IV.43, but the changes in exchange rate may have effect on shareholders' equity and net profit.

5. Other price risks

Other price risks are mainly stock price risk. As at 30 June 2021, the Group mainly held 209,586,000 tradable shares of Shoucheng Holdings.

As at 30 June 2021, it is estimated that a general increase/decrease of the comprehensive index of shares 5% (31 December 2020: 5%), with all other variables held constant, would increase/decrease the Group's shareholders' equity by approximately RMB17,460,000 (2020: RMB23,059,000).

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

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).

(1) Assets measured at fair value on a recurring basis

The following table presents the Group's assets and liabilities that are measured at fair value in the above three levels as at 30 June 2021:

Assets	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets held for trading –	IV.2				
Investments in equity instruments held for trading		–	–	–	–
Investments in debt instrument		–	–	140,282	140,282
Derivative financial assets –	IV.3				
Foreign exchange forward contract		–	433,762	–	433,762
Foreign exchange option contract		–	–	–	–
Interest rate swap contract		–	–	–	–
Finance receivables –	IV.6				
Notes receivables		–	1,137,820	–	1,137,820
Other equity investments –	IV.13				
Unlisted company stock		–	–	762,617	762,617
Listed company stock		324,963	–	–	324,963
Other non-current financial assets –	IV.14				
Foreign exchange forward contract		–	1,380	–	1,380
Equity instruments		87,840	–	71,895	159,735
Financial assets total		412,803	1,572,962	974,794	2,960,559
Non-financial assets					
Investment properties	IV.17	–	–	1,438,275	1,438,275
Total		412,803	1,572,962	2,413,069	4,398,834

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

6. Fair value estimates (Continued)

(1) Assets measured at fair value on a recurring basis (Continued)

The following table presents the Group's assets and liabilities that are measured at fair value in the above three levels as at 30 June 2021 (Continued):

Liabilities	Note	Level 1	Level 2	Level 3	Total
Financial liabilities					
Derivative financial liabilities –	IV.3				
Foreign exchange forward contract		–	(73,119)	–	(73,119)
Foreign exchange option contract		–	(3,014)	–	(3,014)
Interest rate swap		–	(14,557)	–	(14,557)
Commitment to minority shareholders		–	–	(526,100)	(526,100)
Financial liabilities total		–	(90,690)	(526,100)	(616,790)

The following table presents the Group's assets and liabilities that are measured at fair value in the above three levels as at 31 December 2020:

Assets	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets held for trading –	IV.2				
Investments in equity instruments held for trading		–	61,494	–	61,494
Investments in debt instrument		–	–	136,785	136,785
Derivative financial assets –	IV.3				
Foreign exchange forward contract		–	767,965	–	767,965
Foreign exchange option contract		–	93	–	93
Interest rate swap contract		–	–	–	–
Finance receivables –	IV.6				
Notes receivables		–	1,544,177	–	1,544,177
Other equity investments –	IV.13				
Unlisted company stock		–	–	782,690	782,690
Listed company stock		388,668	–	–	388,668
Other non-current financial assets –	IV.14				
Foreign exchange forward contract		–	605	–	605
Equity instruments		–	–	101,885	101,885
Financial assets total		388,668	2,374,334	1,021,360	3,784,362
Non-financial assets					
Investment properties	IV.17	–	–	1,437,970	1,437,970
Total		388,668	2,374,334	2,459,330	5,222,332

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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		–	(207,279)	–	(207,279)
Foreign exchange option contract		–	(18)	–	(18)
Currency swap contract		–	(74,923)	–	(74,923)
Commitment to minority shareholders		–	–	(465,561)	(465,561)
Other non-current liabilities –	IV.43				
Interest rate swap contract		–	(19,744)	–	(19,744)
Financial liabilities total		–	(301,964)	(465,561)	(767,525)

The Group make the date when matters occurred which result in significant transfers between instruments in the three levels as the point of transfer. During the year ended 31 December 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 financial assets in Level 3:

	Financial assets held for trading, other equity investments and other non-current financial assets
1 January 2021	1,021,360
Addition	3,507
Decrease	(30,000)
– Gains or losses recognized in profit or loss	–
– Gains or losses recognized in other comprehensive income	(20,073)
30 June 2021	974,794
	Financial assets held for trading, other equity investments and other non-current financial assets
1 January 2020	1,224,883
Addition	113,585
Decrease	(194,238)
– Gains or losses recognized in profit or loss	1,595
– Gains or losses recognized in other comprehensive income	(124,465)
31 December 2020	1,021,360

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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 2021	1,437,970
Increase in current period	14,640
Transferred from intangible assets	5,085
Increase of subsidiaries	2,504
Total gains for the current period	(3,459)
– Gains recognized in profit or loss	–
– Gains recognized in other comprehensive income	(3,459)
Decrease in current period	(16,504)
Transfer to other assets	(1,961)
30 June 2021	1,438,275
	Investment properties
1 January 2020	2,769,715
Transferred from inventories, fixed assets and construction in progress	4,423,026
Total gains for the current period	(41,502)
– Gains recognized in profit or loss	(41,502)
– Gains recognized in other comprehensive income	–
Transfer to fixed assets	(57,970)
Disposals in current year	(176,900)
Disposals of subsidiaries	(5,478,399)
31 December 2020	1,437,970

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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)

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.

The following table presents the information of the assets measured at fair value in Level 3:

	Fair value as at 30 June 2021	Valuation techniques	Name	Significant unobservable inputs		
				Scope/ weighted average	Relationship with fair value	Observable/ Unobservable
Investment properties – Completed investment properties held for sale	1,200,625	Income model	Monthly rental (RMB/square meter/ month)	7.02–80.22	(a)	Unobservable
			Rate of return/capitalization rate	4%–9%		
Land use rights	237,650	Direct comparison	Market price (RMB/square meter)	457.14–955.01	(a)	Unobservable

	Fair value as at 31 December 2020	Valuation techniques	Name	Significant unobservable inputs		
				Scope/ weighted average	Relationship with fair value	Observable/ Unobservable
Investment properties – Completed investment properties held for sale	1,200,130	Income model	Monthly rental (RMB/square meter/ month)	7.02–80.22	(a)	Unobservable
			Rate of return/capitalization rate	4%–9%		
Land use rights	237,840	Direct comparison	Market price (RMB/square meter)	457.14–955.01	(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 monthly rental, the higher of the fair value;
- The higher of the market price, the higher of the fair value;

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

6. Fair value estimates (Continued)

(2) Assets measured at fair value on a non-recurring basis

The non-current assets held for sale are measured at the lower of the book value and the fair value less the selling costs. As at 30 June 2021, the value of the Group's assets that classified as available for sale were based on the estimated selling price, which belongs to Level 3.

(3) Assets and liabilities not measured at fair value but for which the fair value is disclosed

Financial assets and liabilities of the Group measured by the amortized cost method of including: accounts receivables, short-term borrowings, accounts payables, long-term borrowings, and debentures payable, long-term payables etc.

As at 30 June 2021, all financial instruments are carried at amounts not materially different from their fair value.

There is an active market for bonds payable and fair value is determined by the quotations in the active market, which belongs to Level 1. 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 Level 3.

(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 guarantee contracts

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 gearing ratio to monitor capital.

The Group monitors capital on the basis of gearing ratio. This ratio is calculated as total liabilities divided by total assets.

The Group manages capital status by controlling the gearing ratio not to exceed 70%. The gearing ratio as at 30 June 2021 and 31 December 2020 were as follows:

	30 June 2021	31 December 2020
Total Liabilities	100,223,852	92,357,667
Total Assets	157,435,793	146,211,511
Gearing ratio	63.66%	63.00%

NOTES TO THE FINANCIAL STATEMENTS

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS

1. Cash at bank and on hand

	30 June 2021	31 December 2020
Bank deposits	2,405,113	892,464
Other cash balances	24,364	20,868
	2,429,477	913,332
Including: Total cash abroad	-	-

As at 30 June 2021, restricted cash at bank and on hand of the Company amounted to RMB24,364,000 (31 December 2020: RMB20,868,000).

As at 30 June 2021, the deposit of the Company in the Finance Company, a subsidiary of the Group, was RMB1,066,036,000 (31 December 2020: RMB531,210,000). The Company had no fixed deposit in the Finance Company (31 December 2020: Nil).

2. Derivative financial instruments

	30 June 2021	31 December 2020
Derivative financial assets -		
Forward foreign exchange contracts	86,396	100,995
Derivative financial liabilities -		
Forward foreign exchange contracts	353	-
Currency option contract	2,996	-
	3,349	-

3. Other receivables

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

	30 June 2021	31 December 2020
Amounts due from related parties (Note XVI.3(7))	23,905,385	22,718,417
Dividends receivable	3,883,640	3,823,048
Interest receivable	69,587	69,587
Security deposits	252	225
Others	22,238	27,977
Sub-total	27,881,102	26,639,254
Less: provision for bad debts	(4,580)	(4,580)
	27,876,522	26,634,674

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021
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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Other receivables (Continued)

(2) The ageing analysis of other receivables is as follows:

	30 June 2021	31 December 2020
Within 1 year (inclusive)	12,672,797	11,320,999
1 to 2 years (inclusive)	9,737,667	9,923,772
2 to 3 years (inclusive)	942,908	958,873
Over 3 years	4,527,730	4,435,610
	27,881,102	26,639,254

(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)		
	Book balance	Provision for bad debts	Book balance	Provision for bad debts		Provision for bad debts	Book balance	Provision for bad debts
	balance	bad debts	balance	bad debts	balance	bad debts	balance	bad debts
1 January 2021	-	-	26,634,674	-	-	4,580	(4,580)	(4,580)
Increase in current year	-	-	5,272,678	93,295	93,295	-	-	93,295
Reversal in current year	-	-	(4,030,830)	(93,295)	(93,295)	-	-	(93,295)
Among them: verification of this period	-	-	(93,295)	(93,295)	(93,295)	-	-	(93,295)
30 June 2021	-	-	27,876,522	-	-	4,580	(4,580)	(4,580)

(i) The actual amount of other receivables written off in this period is RMB93,295,000 (January–June 2020: Nil).

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021
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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Other receivables (Continued)

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

As at 30 June 2021 and 31 December 2020, the Company had no other receivables that were recognized at the second stage. Other receivables recognized at the first and the third stage are as follows:

- (i) As at 30 June 2021 and 31 December 2020, the provision for bad debts of other receivables in the first stage is as follows:

	30 June 2021			31 December 2020		
	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	23,905,385	-	-	22,718,417	-	-
Dividends receivable	3,883,640	-	-	3,823,048	-	-
Interest receivable	69,587	-	-	69,587	-	-
Security deposits	252	-	-	225	-	-
Others	17,658	-	-	23,397	-	-
	27,876,522		-	26,634,674		-

- (ii) As at 30 June 2021 and 31 December 2020, 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)

- (i) Provision is measured as lifetime expected credit losses.

(4) Provision for bad debts of other receivables written off in the current period: RMB93,295,000 (January-June 2020: Nil).

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021
(All amounts in RMB'000 unless otherwise stated)

XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Other receivables (Continued)

(5) As at 30 June 2021, the five largest other receivables are analysed as follows, accumulated by arrearage parties:

	Nature	Amount	Aging	% of total balance of other receivables	Provision for bad debts
CIMC Hong Kong	fund transfer, daily transfer	12,595,758	Within 1 year, 1 to 2 years	45.18%	–
CIMC Financing and Leasing	fund transfer, daily transfer	3,803,712	Within 1 year, 1 to 2 years	13.64%	–
CIMC Raffles	fund transfer	3,311,742	Within 1 year, 1 to 3 years	11.88%	–
SZ Investment	fund transfer	1,127,334	Within 1 year, 1 to 3 years	4.04%	–
CIMC Offshore Engineering Investment	fund transfer	672,226	Within 1 year, 1 to 2 years	2.41%	–
		21,510,772		77.15%	–

As at 31 December 2020, the five largest other receivables are analysed as follows, accumulated by arrearage parties:

	Nature	Amount	Aging	% of total balance of other receivables	Provision for bad debts
CIMC Hong Kong	fund transfer, daily transfer	10,815,343	Within 1 year, 1 to 2 years	40.60%	–
CIMC Raffles	fund transfer	3,869,311	Within 1 year, 1 to 3 years	14.52%	–
CIMC Financing and leasing	fund transfer, daily transfer	3,505,306	Within 1 year, 1 to 2 years	13.16%	–
SZ Investment	fund transfer	1,127,334	Within 1 year, 1 to 3 years	4.23%	–
C&C Trucks	fund transfer	1,027,535	Within 1 year, 1 to 2 years	3.86%	–
		20,344,829		76.37%	–

(6) Other receivables from shareholders holding more than 5% (inclusive) of the voting rights of the Company:

As at 30 June 2021 and 31 December 2020, 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.

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021
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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Other receivables (Continued)

(7) Receivables from related parties

		30 June 2021		31 December 2020	
Relationship with the Company		Amount	% of total balance of other receivables	Amount	% of total balance of other receivables
Associates	Associates	151,613	0.54%	151,613	0.57%
Subsidiaries	Subsidiaries	23,753,772	85.21%	22,566,804	84.71%
		23,905,385	85.75%	22,718,417	85.28%

(8) Other receivables derecognized due to transfer of financial assets

As at 30 June 2021, there were no other receivables derecognized due to transfer of financial assets of the Company in the current year (31 December 2020: Nil).

(9) Amount of assets and liabilities recognized due to the continuing involvement of securitised other receivables

As at 30 June 2021, there were no securitised other receivables (31 December 2020: Nil).

4. Other equity investments

	30 June 2021	31 December 2020
Equity investments		
Unlisted company equity		
– BOCM Schroder	330,935	308,204
– CR Intermodal	296,947	301,631
– CIMC Intelligent Technology	11,700	11,700
	639,582	621,535

5. Long-term equity investments

(1) Long-term equity investments are analysed by categories as follows:

	30 June 2021	31 December 2020
Subsidiaries (2)	14,504,169	14,375,923
Less: impairment provision for long-term equity investments	(424,637)	(424,637)
	14,079,532	13,951,286

There is no material restriction on sale of the long-term equity investments held by the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021
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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

5. Long-term equity investments (Continued)

(2) Subsidiaries:

Name of investees	31 December 2020	Increase investment	Reduce investment	30 June 2021	Shareholding in investees (%) (Direct)	Voting rights (%) (Direct+ Indirect)	Impairment loss	Current Cash dividend
Cost Method – Subsidiaries								
SCIMC	359,978	-	-	359,978	100.00%	100.00%	-	3,074,519
Tianjin CIMC North Ocean Container Co., Ltd.	77,704	-	-	77,704	47.50%	100.00%	-	14,883
Chongqing CIMC Logistics Equipments Co., Ltd.	39,499	-	-	39,499	75.00%	100.00%	-	-
CIMC Hong Kong	1,690	-	-	1,690	100.00%	100.00%	-	-
CIMC SD	162,686	-	-	162,686	98.53%	100.00%	-	105,427
CIMC Vehicles	1,038,668	-	-	1,038,668	41.27%	57.42%	-	-
CIMC Management Training (Shenzhen) Co., Ltd.	48,102	-	-	48,102	100.00%	100.00%	-	-
Dalian CIMC Heavy Logistics Equipments Co., Ltd.	525,136	-	-	525,136	62.70%	100.00%	(424,637)	-
CIMC Marine Engineering Academe Co., Ltd.	111,703	-	-	111,703	75.00%	100.00%	-	-
Shenzhen CIMC Investment Holding Company	71,926	-	-	71,926	100.00%	100.00%	-	-
Finance Company	482,590	-	-	482,590	54.35%	100.00%	-	30,621
CIMC Financing and Leasing	1,157,625	-	-	1,157,625	75.00%	100.00%	-	225,000
Shenzhen CIMC Investment Co., Ltd. ("SZ Investment")	140,000	-	-	140,000	100.00%	100.00%	-	-
Shenzhen Sky Capital Co., Ltd.	190,000	-	-	190,000	95.00%	100.00%	-	-
Container Holding	5,043,682	-	-	5,043,682	100.00%	100.00%	-	770,352
COOPERATIE CIMC U.A	205,022	-	-	205,022	99.00%	99.00%	-	-
Modern Logistic	803,904	58,246	-	862,150	84.00%	84.00%	-	234,674
C&C Trucks	1,430,593	-	-	1,430,593	70.06%	70.06%	-	-
CIMC Offshore Holdings	125,000	-	-	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%	-	-
CIMC Modular Building Investment Co., Ltd. ("Modular Investment")	406,080	-	-	406,080	100.00%	100.00%	-	-
CIMC Technology	1,276,580	-	-	1,276,580	100.00%	100.00%	-	-
CIMC Capital Holdings Co. Ltd.	80,000	70,000	-	150,000	100.00%	100.00%	-	-
CIMC Unit Load	500,000	-	-	500,000	100.00%	100.00%	-	-
Total	14,375,923	128,246	-	14,504,169			(424,637)	4,455,476

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For the period from 1 January 2021 to 30 June 2021
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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

6. Fixed assets

	30 June 2021	31 December 2020
Fixed assets (a)	120,383	127,284
Disposal of fixed assets (b)	504	534
	120,887	127,818

(a) Fixed assets

	Plants and buildings Self-used	Machinery and equipment Self-used	Office and other equipment Self-used	Total
Original cost				
31 December 2020	144,092	31,260	143,954	319,306
Transferred from construction in progress	–	789	234	1,023
Additions	–	–	16	16
Disposals	–	(2,666)	–	(2,666)
30 June 2021	144,092	29,383	144,204	317,679
Accumulated depreciation				
31 December 2020	61,984	21,244	108,794	192,022
Depreciation	2,147	1,177	4,349	7,673
Disposals	–	(2,399)	–	(2,399)
30 June 2021	64,131	20,022	113,143	197,296
Net book value				
31 December 2020	82,108	10,016	35,160	127,284
30 June 2021	79,961	9,361	31,061	120,383

The amount of depreciation accrued for fixed assets from January to June 2021 was included in the administrative expenses amounting to RMB7,673,000 (from January to June 2020: RMB7,416,000).

The original cost transferred from construction in progress was RMB1,023,000 (from January to June 2020: RMB3,272,000).

(b) Disposal of fixed assets

	30 June 2021	31 December 2020
Office and other equipment	504	534

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

7. Short-term borrowings

	30 June 2021	31 December 2020
Bank borrowings		
– Unsecured	400,406	3,255,949

As at 30 June 2021, the short-term loan interest rate ranged 3.65% (31 December 2020: 2.90% to 3.75%).

8. Taxes payable

	30 June 2021	31 December 2020
VAT payable	14,344	13,342
Corporate income tax payable	1,867	1,867
Withholding individual income tax	15,446	2,554
Others	281	1,042
	31,938	18,805

9. Other payable

(1) The analysis of the Company's other payables is as follows:

	30 June 2021	31 December 2020
Amounts due to subsidiaries	2,020,743	1,241,086
Dividends payable	1,011,858	–
Accruals	2,512	4,370
Amounts due to related parties	2,491	2,491
Quality guarantees	109	109
Others	13,565	11,577
	3,051,278	1,259,633

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021
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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

9. Other payable (Continued)

(2) Significant other payables aged over one year

Other payables aged over 1 year are mainly unpaid warranty.

(3) As of 30 June 2021, there is no unit payment payable to shareholders holding more than 5% (including 5%) of the voting shares of the Company except dividends (31 December 2020: Nil).

(4) Other payables to related parties:

Company name	Relationship with the Company	30 June 2021	31 December 2020
Total amount due to subsidiaries	Subsidiaries	2,020,743	1,241,086

10. Current portion of non-current liabilities

Item	Note	30 June 2021	31 December 2020
Current portion of long-term borrowings			
– Unsecured	XVI.11	3,002,843	1,701,772
Current portion of debentures payable	XVI.12	4,077,650	2,017,874
Current portion of accruals		18,680	18,680
		7,099,173	3,738,326

11. Long-term borrowings

	30 June 2021	31 December 2020
Bank borrowings		
– Unsecured	7,268,830	6,509,707
Less: Current portion of long-term borrowings	(3,002,843)	(1,701,772)
	4,265,987	4,807,935

As at 30 June 2021, there were no overdue long-term borrowings of which the durations are extended (31 December 2020: Nil).

As at 30 June 2021, the interest rate of long-term borrowing ranged from 1.20% to 4.30% (31 December 2020: 1.20% to 4.30%).

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

12. Debentures payable

Information for the Company's debentures payable is disclosed in Note IV.40.

13. Capital reserve

	31 December 2020	Increase in Current period	Decrease in Current period	30 June 2021
Capital surplus	3,279,637	–	–	3,279,637
Other capital reserve:				
– Exchange reserve on foreign currency capital	687	–	–	687
– Donated non-cash assets reserve	87	–	–	87
– Equity settled share-based payment	119,433	–	–	119,433
Others	(568,492)	–	–	(568,492)
	2,831,352	–	–	2,831,352

	31 December 2019	Increase in current year	Decrease in current year	31 December 2020
Capital surplus	3,135,368	144,269	–	3,279,637
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	–	(71,147)	119,433
Others	(568,492)	–	–	(568,492)
	2,758,230	144,269	(71,147)	2,831,352

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021
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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 for January-June 2021			
	1 January 2021	Post-tax amount attributable to the Company	30 June 2021	Pre-tax amount incurred in current year	Less: transfer of other comprehensive income	Less: Income tax expenses	Post-tax amount attributable to the Company
Items that will not be reclassified to profit or loss							
Changes in value of other equity investments							
Changes in fair value of other equity investments	220,930	18,047	238,977	18,047	-	-	18,047
Item that may be reclassified subsequently to profit or loss	-	-	-	-	-	-	-
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	-	-	-	-
Property revaluation reserve	43,754	-	43,754	-	-	-	-
	352,298	18,047	370,345	18,047	-	-	18,047

	Other comprehensive income in balance sheet			Other comprehensive income in income statement of 2020			
	1 January 2020	Post-tax amount attributable to the Company	31 December 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 value of other equity investments							
Changes in fair value of other equity investments	339,132	(118,202)	220,930	(118,202)	-	-	(118,202)
Item that may be reclassified subsequently to profit or loss	-	-	-	-	-	-	-
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	-	-	-	-
Property revaluation reserve	43,754	-	43,754	-	-	-	-
	470,500	(118,202)	352,298	(118,202)	-	-	(118,202)

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021
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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 2021	2020
Undistributed profits at the beginning of the year	8,842,542	6,991,814
Add: net profit attributable to the company in the current period	4,414,139	2,560,309
Less: influence of issuance of perpetual bonds	(101,014)	(273,979)
Less: appropriation for surplus reserve	–	(5,254)
Ordinary share dividends payable	(1,005,904)	(430,348)
Period undistributed profit	12,149,763	8,842,542

Approved by the shareholders' general meeting on 2 June 2021, the Company distributed cash dividends to ordinary shareholders on 20 July 2021, at RMB0.28 per share (2020: RMB0.12 per share), totaling RMB1,005,904,000 (2020: RMB430,348,000).

16. Revenue and cost of sales

(1) Revenue and cost of sales

	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020
Revenue from other operations	216,129	88,254
Cost of sales from other operations	3,097	–

(2) Revenue and cost of sales from other operations

	For the period from 1 January to 30 June 2021		For the period from 1 January to 30 June 2020	
	Revenue from other operations	Cost of sales from other operations	Revenue from other operations	Cost of sales from other operations
Commission	205,887	–	75,654	–
Others	10,242	3,097	12,600	–
	216,129	3,097	88,254	–

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021
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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

17. Financial expenses/(income)

	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020
Interest expenses	351,469	418,562
Less: Interest income	(12,751)	(24,769)
Exchange (gains)/losses	87,042	(143,044)
Others	9,134	10,018
	434,894	260,767

18. Expenses by nature

	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020
Salary and wages	112,478	38,982
Agency fees	8,039	7,689
Office expenditure and operating expenditure	8,660	7,444
Software and system maintenance fee	7,081	6,030
Depreciation and amortization	17,224	15,288
Travel and communication costs	3,964	4,075
Advertising and stock certificate fee	1,717	1,291
Technical development expenditure	-	2,964
Other expenses	1,205	1,319
	160,368	85,082

19. Investment income

	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020
Income from long-term equity investment under cost method	4,455,476	629,072
Income earned during the holding period of other equity investments	40,000	14,300
Interest income and others	335,103	369,007
Other investment income	73,777	(8,899)
	4,904,356	1,003,480

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021
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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

20. Income tax credits

	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020
Current income tax calculated based on tax law and related regulations	–	–
Deferred income tax	–	12,243
	–	12,243

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 2021	For the period from 1 January to 30 June 2020
Profit before income tax	4,414,139	746,852
Income tax expenses calculated at applicable tax rates	1,103,535	186,713
Expenses not deductible for tax purposes	502	359
Tax impact of current losses on unrecognized deferred income tax assets unrecognized deferred income tax assets	19,832	–
Deductible losses in previously unrecognized deferred income tax assets	–	(13,477)
Other income not subject to tax	(1,123,869)	(160,843)
Tax impact on unrecognized temporary differences in deferred income tax assets	–	(509)
Income tax expenses	–	12,243

NOTES TO THE FINANCIAL STATEMENTS

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XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

21. Notes to the cash flow statement

(1) Supplementary information to the cash flow statement:

(a) *Reconciliation from net profit to cash flows from operating activities:*

	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020
Net profit	4,414,139	734,609
Add: Impairment provision for assets	–	–
Depreciation of fixed assets	7,673	7,416
Amortization of intangible assets	5,942	4,445
Amortization of long-term prepaid expenses	3,609	3,427
Amortization of deferred income	(2,108)	(2,036)
(Profits)/losses on disposal of fixed assets	114	(300)
(Gains)/losses on fair value changes	17,948	1,027
Financial expenses	102,218	(101,866)
Investment income	(4,569,254)	(634,473)
Decrease in deferred tax assets	–	12,243
Decrease/(increase) in operating receivables	(3,528,795)	(435,971)
Increase/(decrease) in operating payables	3,372,476	(124,211)
Net cash flows from operating activities	(176,038)	(535,690)

(b) *Net change of cash and cash equivalents:*

	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020
Ending balance of cash and cash equivalents	2,405,113	1,338,097
Less: cash and cash equivalents at the beginning of the year	(892,464)	452,966
Net increase/(decrease) in cash and cash equivalents	1,512,649	885,131

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021
(All amounts in RMB'000 unless otherwise stated)

XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

21. Notes to the cash flow statement (Continued)

(2) Composition of cash and cash equivalents

	30 June 2021	30 June 2020
I. Cash		
Including: Cash at bank that can be liquidated at any time on demand	2,405,113	1,338,097
Other monetary fund that can be readily drawn on demand	-	-
II. Cash and cash equivalents readily available at the end of the period be liquidated at any time on demand	2,405,113	1,338,097

Note: Aforesaid "Cash at bank and on hand" excluded restricted cash.

SUPPLEMENTARY TO THE FINANCIAL STATEMENTS

For the period started from 1 January and ended 30 June 2021
(All amounts in RMB'000 unless otherwise stated)
(English Translation for Reference Only)

1. STATEMENT OF NON-RECURRING PROFIT OR LOSS

	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020
(Losses)/income from disposal of non-current assets	55,398	102,983
Government grants recognized in profit or loss for the current	251,849	358,619
Gains 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 except for the effective hedging activities related to the Group's ordinary activities	640,635	(340,672)
Net gains from disposal of long-term equity investment	12,625	66,577
Other non-recurring gains and losses items	34,968	59,632
Effect of income tax	(199,103)	(39,469)
Effect of minority interests (after tax)	(147,462)	(154,202)
Total	648,910	53,468

Note: Aforesaid non-recurring profit or loss items were presented at amount before taxation.

Basis for preparation of statement of non-recurring profit or loss

Under the requirements in Explanatory announcement No. 1 on information disclosure by companies offering securities to the public – non-recurring profit or loss [2008] from CSRC, non-recurring profit or loss refer to those arises from transactions and events that are not directly relevant to ordinary activities, or that are relevant to ordinary activities, but are extraordinary and not expected to recur frequently that would have an influence on users of financial statements making economic decisions on the financial performance and profitability of an enterprise.

2. RETURN ON NET ASSETS AND EARNINGS PER SHARE

In accordance with Interpretive Pronouncement on the Preparation of Information Disclosures of Companies Issuing Public Shares No. 9 – Earnings per share and return on net assets (2010 revised) and relevant requirements of accounting standard, the calculation of earnings per share and return on net assets of the Company is listed as follows:

	Earnings per share					
	Weighted average return on net assets (%)		Basic earnings per share		Diluted earnings per share	
	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020	For the period from 1 January to 30 June 2021	For the period from 1 January to 30 June 2020
Net profit attributable to ordinary shareholders of the Company	10.09%	(0.86%)	1.1673	(0.0841)	1.1670	(0.0841)
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit or loss	8.52%	(1.02%)	0.9856	(0.0991)	0.9853	(0.0991)

Chapter XII Other Reporting Data

I. OTHER SIGNIFICANT SOCIAL SECURITY ISSUES

Do the listed company and its subsidiaries have other significant social security issues

Applicable Not Applicable

Any administrative penalties during the reporting period

Applicable Not Applicable

II. REGISTER OF RECEPTION OF RESEARCH, COMMUNICATIONS AND INTERVIEWS DURING THE REPORTING PERIOD

Applicable Not Applicable

Date of reception	Venue of reception	Mode of reception	Type of party received	Party received	Main contents discussed and information provided	Brief description on research
During the Reporting Period	Office of the Company	Tele conference	Institutional investor	Morgan Stanley clients	Principal business performance, investment progress, recent business development performance and industry outlook	/
During the Reporting Period	Office of the Company	Tele conference	Institutional investor	CICC	Same as above	/
During the Reporting Period	Office of the Company	Tele conference	Institutional investor	CICC	Same as above	/
During the Reporting Period	Office of the Company	Tele conference	Institutional investor	Northeast Securities	Same as above	/
During the Reporting Period	Office of the Company	Tele conference	Institutional investor	BOCI, UBS	Same as above	/
During the Reporting Period	Office of the Company	Tele conference	Institutional investor	Pacific Securities	Same as above	/
During the Reporting Period	Office of the Company	Tele conference	Institutional investor	China Merchants Securities, Changsheng Fund	Same as above	/
During the Reporting Period	Office of the Company	Tele conference	Institutional investor	Minsheng Securities, ZhongRong Fund	Same as above	/
During the Reporting Period	Office of the Company	Tele conference	Institutional investor	AceCamp International Limited	Same as above	/
During the Reporting Period	Office of the Company	Tele conference	Institutional investor	Kaiyuan Securities	Same as above	/
During the Reporting Period	Office of the Company	Tele conference	Institutional investor	CITIC Securities	Same as above	/
March 2021	Office of the Company	Disclosure Meeting of Results of 2020	Institutional investor	China Merchants Securities, CITIC Securities, Shenwan Securities, Rongtong Fund, Infore Capita, Cinda Securities, etc.	Disclosure Meeting of Annual Results of 2020	http://irm.cninfo.com.cn/
During the Reporting Period	Office of the Company	Tele conference	Institutional investor	Guotai Junan	Principal business performance, investment progress, recent business development performance and industry outlook	/
During the Reporting Period	Office of the Company	Tele conference	Institutional investor	Morgan Stanley	Same as above	/
During the Reporting Period	Office of the Company	Tele conference	Institutional investor	BofA Securities customers	Same as above	/

Chapter XII Other Reporting Data

Date of reception	Venue of reception	Mode of reception	Type of party received	Party received	Main contents discussed and information provided	Brief description on research
During the Reporting Period	Office of the Company	Tele conference	Institutional investor	CITIC Securities	Same as above	/
During the Reporting Period	Office of the Company	Tele conference	Institutional investor	BOCI	Same as above	/
During the Reporting Period	Office of the Company	Tele conference	Institutional investor	Zaaba Capital	Same as above	/
During the Reporting Period	Suzhou	Strategy meeting	Institutional investor	Guotai Junan	Same as above	/
During the Reporting Period	Hangzhou	Strategy meeting	Institutional investor	China Merchants Securities	Same as above	/
During the Reporting Period	Office of the Company	Tele conference	Institutional investor	Galaxy Securities (Hong Kong) customers	Same as above	/
During the Reporting Period	Office of the Company	Tele conference	Institutional investor	Zhongtai Securities	Same as above	/
During the Reporting Period	Shanghai	Strategy meeting	Institutional investor	Huatai Securities	Same as above	/
During the Reporting Period	Shanghai	Strategy meeting	Institutional investor	Cinda Securities	Same as above	/
During the Reporting Period	Shanghai	Strategy meeting	Institutional investor	Founder Securities	Same as above	/
During the Reporting Period	Beijing	Strategy meeting	Institutional investor	Kaiyuan Securities	Same as above	/
During the Reporting Period	Office of the Company	Company research	Institutional investor	Jinfeng Chuangsheng Investment (金豐創晟投資) · Guoyuan Securities	Same as above	/
During the Reporting Period	Office of the Company	Company research	Institutional investor	Vanho Securities	Same as above	/
During the Reporting Period	Office of the Company	Tele conference	Institutional investor	Ninety One UK Limited	Same as above	/
During the Reporting Period	Office of the Company	Tele conference	Institutional investor	UG Fund	Same as above	/
During the Reporting Period	Office of the Company	Tele conference	Institutional investor	HSBC	Same as above	/
During the Reporting Period	Shenzhen	Strategy meeting	Institutional investor	China Everbright Securities	Same as above	/
During the Reporting Period	Office of the Company	Tele conference	Institutional investor	CSC Financial	Same as above	/
During the Reporting Period	Office of the Company	Strategy meeting	Institutional investor	Industrial Securities	Same as above	/
During the Reporting Period	Office of the Company	Strategy meeting	Institutional investor	CICC	Same as above	/
During the Reporting Period	Office of the Company	Tele conference	Institutional investor	Pacific Securities	Same as above	/
During the Reporting Period	Office of the Company	Offline research	Institutional investor	Vanho Securities	Same as above	/
During the Reporting Period	Office of the Company	Tele conference	Institutional investor	Tebon Securities	Same as above	/

III. FUND TRANSFER BETWEEN THE LISTED COMPANY AND CONTROLLING SHAREHOLDER AND RELATED PARTIES

Applicable Not applicable

Documents Available for Inspection

- (I) The original copy of the 2021 Interim Report of the Company signed by the Company's legal representative.
- (II) The original copy of the unaudited financial report of the Company for the six months ended 30 June 2021 prepared under CASBE duly signed and under the seal of the legal representative of the Company, the person in charge of accounting affairs and the head of the accounting department (chief financial officer).
- (III) The original copies of the documents and announcements of the Company published during the Reporting Period.

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Driving new value Moving the world

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