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中國國際海運集裝箱(集團)股份有限公司

CHINA INTERNATIONAL MARINE CONTAINERS (GROUP) CO., LTD.

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2039)

THIRD QUARTERLY REPORT OF 2020

This announcement is published by China International Marine Containers (Group) Co., Ltd. (the “**Company**”) in Mainland China pursuant to the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange (the “**Shenzhen Listing Rules**”) and in Hong Kong pursuant to Rule 13.09 and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”) and the Inside Information Provisions (as defined under the Hong Kong Listing Rules) set out in Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

1 IMPORTANT NOTICE

- 1.1 The board of directors (the “**Board**”), the supervisory committee and the directors, supervisors and senior management of the Company warrant that the information contained in the Third Quarterly Report of 2020 (the “**Report**”) is true, accurate and complete and there are no misrepresentation, misleading statements or material omissions, and severally and jointly accept legal responsibility.
- 1.2 The Report was approved at the eighteenth meeting of the ninth session of the Board of the Company in 2020. The Company currently has nine directors and all nine directors attended the meeting.
- 1.3 The financial statements of the Company and its subsidiaries (the “**Group**”) were prepared in accordance with China Accounting Standards for Business Enterprises. The financial statements in the Report are unaudited.
- 1.4 Mr. Mai Boliang, Chairman and CEO of the Company, and Mr. Zeng Han, the chief financial officer, the person in charge of accounting affairs and the head of accounting department (the financial controller), warrant the truthfulness, accuracy and completeness of the Report and the financial statements in the Report.
- 1.5 In the Report, RMB ordinary shares (A Shares) refer to the domestic ordinary shares with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Shenzhen Stock Exchange and traded in RMB, and overseas-listed foreign shares (H Shares) refer to the overseas-listed foreign shares with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars.

- 1.6 The reporting period (the “**Reporting Period**” or the “**Period**”) in the Report refers to the three months started from 1 July 2020 and ended on 30 September 2020.
- 1.7 The Report is published in English and Chinese. In the event of any inconsistency between the two versions, the Chinese version shall prevail.

2 KEY FINANCIAL INFORMATION AND CHANGE IN SHAREHOLDERS

2.1 Key accounting data and financial indicators

During the Reporting Period, whether the Company needed to make retrospective adjustments to or restate the accounting data of previous years

Yes No

Unit: RMB thousand

	30 September 2020	31 December 2019	Changes from the end of last year to the end of the Reporting Period (%)
Total assets	180,303,943	172,107,521	4.76%
Equity attributable to shareholders and other equity holders of the Company	41,286,850	39,253,886	5.18%

	July to September 2020	Changes from the corresponding period of last year to the Reporting Period (%)	January to September 2020	Changes from the corresponding period of last year to the period from the beginning of the year to the end of the Reporting Period (%)
Revenue	24,160,147	27.54%	63,591,954	3.13%
Net profit attributable to shareholders and other equity holders of the Company	880,358	2123.72%	697,561	9.62%
Net profit attributable to shareholders and other equity holders of the Company after deducting non-recurring profit or loss	431,854	949.34%	195,589	(51.02%)
Net cash flows from operating activities	6,148,785	288.79%	8,391,696	1711.05%
Basic earnings per share (RMB)	0.2239	957.85%	0.1398	3.02%
Diluted earnings per share (RMB)	0.2238	922.79%	0.1398	4.10%
Weighted average return on net assets (%)	2.31%	2.59%	1.42%	(0.01%)

Non-recurring profit/loss items and amount

Applicable Not Applicable

Unit: RMB thousand

Item	January to September 2020
Gains from disposal of non-current assets	101,687
Government grants recognised in profit or loss for the current period	507,669
Gains or losses from changes in fair value arising from holding financial assets held for trading, and investment income arising from disposal of other debt investments, and other non-current financial assets, and investment income arising from holding other equity investments, 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	68,245
Net gains from disposal of long-term equity investments	67,662
Other non-operating income and expenses other than the above items	66,694
Effect of income tax	(146,238)
Effect of minority interests (after tax)	<u>(163,747)</u>
Total	<u><u>501,972</u></u>

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.

2.2 Total number of shareholders and the shareholdings of the top ten shareholders as at the end of the Reporting Period

Total number of shareholders of ordinary shares as at the end of the Reporting Period: The Company had a total of 71,632 shareholders, including 71,603 holders of A Shares and 29 holders of H Shares.

Total number of shareholders of preference shares that resumed voting rights (if any) as at the end of the Reporting Period: Nil

Unit: Shares

Shareholdings of top ten shareholders of ordinary shares as at the end of the Reporting Period

Name of shareholders	Nature of shareholders	Percentage of shareholding	Number of shares held	Number of shares with selling restrictions held	Pledged or frozen shares Status	Number
HKSCC Nominees Limited <i>(Note 1)</i>	Foreign legal person	57.68%	2,073,660,094	-	-	-
COSCO Container Industries Limited <i>(Note 2)</i>	Foreign legal person	14.43%	518,606,212	-	-	-
China Securities Finance Corporation Limited	State-owned legal person	2.36%	84,959,608	-	-	-
Central Huijin Asset Management Ltd.	State-owned legal person	1.27%	45,592,560	-	-	-
Henan Yiluo Investment Management Co., Ltd. - Jun'an No.9 Yiluo private equity investment fund	Domestic non-state-owned legal person	1.08%	38,699,222	-	-	-
CITIC - Prudential Life Insurance Co., Ltd. - participating products <i>(Note 3)</i>	Domestic non-state-owned legal person	0.55%	19,733,298	-	-	-
Henan Yiluo Investment Management Co., Ltd. - Junxing No.10 private equity fund	Domestic non-state-owned legal person	0.35%	12,703,538	-	-	-
Zhong Ou Fund - Agricultural Bank - Zhong Ou CSI Financial Assets Management Program	Domestic non-state-owned legal person	0.31%	11,102,880	-	-	-
Henan Yiluo Investment Management Co., Ltd. - Huazhong No.3 Yiluo private equity investment fund	Domestic non-state-owned legal person	0.31%	11,064,116	-	-	-
ICBC Credit Suisse Fund - Agricultural Bank - ICBC Credit Suisse CSI Financial Assets Management Program	Domestic non-state-owned legal person	0.31%	11,054,160	-	-	-

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

Name of shareholders	Number of ordinary shares without selling restrictions held	Types of shares	Number
HKSCC Nominees Limited (<i>Note 1</i>)		Overseas-listed foreign shares	
	2,059,676,340		2,059,676,340
HKSCC Nominees Limited (<i>Note 1</i>)	13,983,754	RMB ordinary shares	13,983,754
COSCO Container Industries Limited (<i>Note 2</i>)	518,606,212	RMB ordinary shares	518,606,212
China Securities Finance Corporation Limited	84,959,608	RMB ordinary shares	84,959,608
Central Huijin Asset Management Ltd.	45,592,560	RMB ordinary shares	45,592,560
Henan Yiluo Investment Management Co., Ltd. - Jun'an No.9 Yiluo private equity investment fund	38,699,222	RMB ordinary shares	38,699,222
CITIC-Prudential Life Insurance Co., Ltd. - participating products (<i>Note 3</i>)	19,733,298	RMB ordinary shares	19,733,298
Henan Yiluo Investment Management Co., Ltd. - Junxing No.10 private equity fund	12,703,538	RMB ordinary shares	12,703,538
Zhong Ou Fund -Agricultural Bank - Zhong Ou CSI Financial Assets Management Program	11,102,880	RMB ordinary shares	11,102,880
Henan Yiluo Investment Management Co., Ltd. - Huazhong No.3 Yiluo private equity investment fund	11,064,116	RMB ordinary shares	11,064,116
ICBC Credit Suisse Fund - Agricultural Bank - ICBC Credit Suisse CSI Financial Assets Management Program	11,054,160	RMB ordinary shares	11,054,160
Explanation on the relationship or concerted action of the above mentioned shareholders		Unknown	
Description of shareholders participating in financing securities business (if any)		Nil	

Note 1: Among holders of H Shares of the Company, shares of unregistered holders were held by HKSCC Nominees Limited on their behalf. As at 30 September 2020, HKSCC Nominees Limited held 2,073,660,094 shares of the Company on behalf of these shareholders, including 13,983,754 A Shares and 2,059,676,340 H Shares. The H Shares include (but are not limited to) the 880,429,220 H Shares held by China Merchants Group through its subsidiary (China Merchants (CIMC) Investment Limited), and the 295,010,617 H Shares held by China COSCO Shipping through its subsidiaries (including 30,386,527 H Shares directly held by Long Honour Investments Limited and 264,624,090 H Shares directly held by COSCO Container Industries Limited) and 180,588,180 H Shares held by CITIC - Prudential Life Insurance Co., Ltd..

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

Note 3: As at 30 September 2020, CITIC - Prudential Life Insurance Co., Ltd. held 19,733,298 A Shares of the Company and additionally held the above 180,588,180 H Shares of the Company which were registered under HKSCC Nominees Limited (see Note 1).

During the Reporting Period, whether any top ten shareholders of ordinary shares or top ten shareholders of ordinary shares without selling restrictions have conducted any agreed repurchase transactions.

Yes No

None of the top ten shareholders of ordinary shares and the top ten shareholders of ordinary shares without selling restrictions conducted any agreed repurchase transactions during the Reporting Period.

2.3 Total number of shareholders of preference shares and shareholding of the top ten shareholders of preference shares

Applicable Not Applicable

3 SIGNIFICANT EVENTS

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

In the first three quarters of 2020, due to the general decline in global economic and trade activities caused by factors such as trade frictions as well as the COVID-19 epidemic, the growth of China's foreign trade export has been affected. However, prevention and control measures against the epidemic and economic and social development were promoted nationwide in a coordinated way. The domestic economy went down first and then rose with steady recovery due to the function of a series of policies on the basis of strict prevention measures against the epidemic and gradual release of lock-down measures. From January to September 2020, the Group's revenue amounted to RMB63,592 million (same period in 2019: RMB61,660 million), representing a year-on-year increase of 3.13%; the net profit attributable to Shareholders and other equity holders of the Company amounted to RMB698 million (same period in 2019: RMB636 million), representing a year-on-year increase of 9.62%; and the basic earnings per share amounted to RMB0.1398 (same period in 2019: RMB0.1357), representing a year-on-year increase of 3.02%.

The operating results of each segment of the Group in the first three quarters of 2020 are as follows:

Effectuated by the epidemic in the first half of the year, global economy and trade declined sharply, container transportation demand hit the bottom and customers generally reduced their purchases of new containers. However, as the imports need from Europe and the US surges after removal of the restrictions regarding the epidemic and the export of the PRC has continued to improve since the second quarter, container transportation demand rose significantly and customers' purchases of new containers recovered and increased in the third quarter. There was a significant year-on-year increase in average container price in the third quarter. As a result, the overall profit margin of container industry reached a good level this year. In the first three quarters of 2020, the accumulated sales volume of dry containers of the Group reached 594,900 TEUs (same period in 2019: 717,500 TEUs), representing a year-on-year decrease of 17.09%, which, however, narrowed by more than 20% as compared with the year-on-year decrease of the first half of the year; the accumulated sales volume of reefer containers reached 84,100 TEUs (same period in 2019: 86,900 TEUs), representing a year-on-year decrease of 3.22%.

In the first three quarters of 2020, benefiting from the Chinese government's new pattern of development in which domestic cycle plays a dominant role and both domestic and international cycles reinforce each other, the revenue of the Group's road transportation vehicles business recorded a year-on-year increase. In respect of the domestic market: (1) Semi-trailer business: the general revenue and gross profit margin of semi-trailer business increased notably due to the government's quickened pace to address the issue of "over-limit and overload vehicles" and the effective implementation of the national standards of second-generation semi-trailers; sales volume of van semi-trailers and transitional skeletal semi-trailers + van vehicles increased as e-commerce logistics developed; sales volume of tank semi-trailers increased significantly as compared to the same period in 2019 due to the continuous governance on tank trucks for dangerous chemicals, a decrease in international oil price and the persistently strong investments in domestic infrastructure. (2) Truck bodies for specialty vehicles business: sales volume of smart and eco-friendly urban muck truck and light-weight cement mixer trucks stably resumed, and sales volume of chassis increased. (3) Refrigerated van bodies business: market demand maintained a trend of rapid growth, and both sales volume and gross profit margin increased significantly as compared to the same period in 2019. In respect of overseas markets: although continuously affected by the COVID-19 epidemic, the business volume of the road transportation vehicles business with downstream logistics enterprises and semi-trailer leasing enterprises in the North American market recovered, and the sales of semi-trailers of the Group's road transportation vehicles business in the North American market recovered. In respect of the European market, the normal production and operation of the semi-trailer business has basically resumed. LAG Trailer NV Bree, a subsidiary in Belgium, had sufficient orders on hand. Although the supply chain of SDC Trailer Ltd, a subsidiary in Britain, was affected, it still secured the delivery for orders in accordance with the contractual schedule.

In the first three quarters of 2020, CIMC Enric Holdings Limited ("**CIMC Enric**"), the main operating entity of the Group's energy, chemical and liquid food business, has achieved overall steady growth in its clean energy, chemical and environmental and liquid food businesses. During the period, CIMC Enric recorded an increase in new orders amounting to approximately RMB3.8 billion, with the cumulative new orders basically flat with that for the same period last year. As at the end of September, the orders in hand were approximately RMB10.5 billion. In particular, the clean energy business sector was granted significant EPC general contracting orders for chemical product storage tank and supporting projects, which was one of the main sources of new orders. As global trade gradually recovered from the impact of the COVID-19 epidemic, the chemical and environmental business sector became basically stabilized. Benefiting from strong customer loyalty, we won the bid for several major overseas large-scale brewery general contracting projects in the liquid food business sector. The signing of the contract is expected to hedge to a certain extent the impact of the slowdown in sales and engineering project orders caused by the epidemic this year. In the third quarter of 2020, the clean energy, chemical and environmental and liquid food businesses of the Group each has improved to varying degrees from the previous quarter with the overall income being stable.

In the first three quarters of 2020, the Group's offshore engineering business was affected by the COVID-19 epidemic. The oil companies have substantially cut their expenditures in oil and gas projects due to the increasingly low crude oil prices. As a result, the uncertainty of recovery in the offshore engineering and oil and gas market increased. From January to September 2020, CIMC Raffles Offshore (Singapore) Limited (“**CIMC Raffles**”) newly acquired effective orders with a value of USD210 million (including 5 oil-and-gas modular projects with a value of USD130 million in total, 5 offshore wind power and fishery projects with a value of USD80 million in total), and the accumulated value of orders on hand reached USD780 million, of which non-oil and gas orders accounted for approximately 74%, showing a continuous growth trend. For project delivery: “Bohai Hengtong”, the largest multifunctional RORO in Asia, was delivered in September, which is the representative project of CIMC Raffles in business transformation under the sluggish oil and gas market condition.

In the first three quarters of 2020, the operation of the Group's airport facilities, fire safety and automated logistics system business was as follows: (1) The airport facilities equipment business: Since the domestic epidemic has turned moderate, the Group has stepped up to catch up with the progress of production and installation projects that have been delayed due to epidemic containment measures, trying to support the timely delivery of overseas projects and striving to achieve delivery acceptance and sales confirmation for most projects in the second half of the year. (2) The fire and rescue vehicle business: As a result of the epidemic, many tenders for fire trucks originally scheduled for the first half of 2020 have been postponed. In addition, the supply of imported chassis is still affected by severe foreign epidemic. Thus, the production plans and sales of the fire safety companies of the Group have all been affected, especially those companies with insufficient inventory orders. At the same time, the Group has been actively participating in the training of equipment maintainers for the fire rescue teams of various provinces and cities, including organising and providing professional theoretical explanations, practical operation experience sharing and plant-based training, etc., to solidify the foundation for business expansion. (3) The automated logistics systems business: With the improvement in the domestic epidemic, the projects delayed in the first half of the year have gradually returned to work, and measures including adjusting the schedule and intensifying work efforts have been taken.

In the first three quarters of 2020, heavy truck business recorded a relatively decline in sales volume. The main reason for the decline in sales volume is that dealers had a large inventory of unsold trucks in 2019, which made the dealers put great efforts on sales of inventory trucks during the year, affecting their resources invested in sales of new trucks; besides, sales volume of the heavy truck business operating company was unable to reach such a scale that can bring in strong bargaining power over suppliers and dealers and lead to cost-effectiveness, and the product price and preferential policies were unable to put us in a favorable position; further, due to the impact of the quality issues of engines designed for the National VI Emission Standard natural gas vehicles, Liquefied Natural Gas vehicle orders dropped significantly year-on-year.

In the first three quarters of 2020, although facing the impact of the COVID-19 epidemic, the Group's logistics service business proactively coped with the situation with multiple measures implemented and is committed to becoming the leader characterising with "equipment + service" in multimodal transport industry in the PRC. Focusing on the multimodal transport network layout of major domestic seaports, Yangtze River ports, railway central stations and major international routes, the Group paid more attention to business quality and innovative business model to continuously improve efficiency and profitability by carrying out equipment leasing and selling business, station operation business, freight services business, as well as ecological support business such as shipping agency, customs declaration, barge and fleet service. As the epidemic is under control, the Group's logistics service business has gradually stabilized. The Group will continue to invest in developing the multimodal passage network, controlling core resources and expanding markets.

In the first three quarters of 2020, the Group's industrial city development business adhered to the development strategy of industry and city integration, focusing on the development of two major core areas of Guangdong-Hong Kong-Macao Greater Bay Area and Yangtze River Delta, and accomplished accumulated contracted amount of RMB5.625 billion and contracted payment of RMB4.989 billion. In respect of projects, Qianhai Pre-initiation Project in Shenzhen, the Prince Bay Project in Shenzhen and the Low-orbit Satellite IoT Industrial Park Project in Guangming District of Shenzhen were under rapid development. In August, the capital increase and the signing of formal contracts for the second introduction of strategic investors were completed by Shenzhen CIMC Industry & City Development Group Co., Ltd. ("**CIMC Industry & City**"). After CIMC Industry & City received a capital increase of approximately RMB1.606 billion from its former shareholder, Country Garden, on 6 August, CIMC Industry & City introduced Xi'an Qujiang Cultural Industry Investment (Group) Co., Ltd. ("**Qujiang Cultural Industry Investment**") under Xi'an Qujiang New District Administration Committee as the strategic investor on 18 August, with a capital increase of approximately RMB2.352 billion. Upon completion of the capital increase, Qujiang Cultural Industry Investment will hold approximately 20% equity interest in CIMC Industry & City, while the equity interest held by CIMC Shenfa, a subsidiary of CIMC, will be decreased to approximately 45.92% upon completion of the transaction. Upon completion of this transaction, CIMC Industry & City will become an associated company of CIMC.

In the first three quarters of 2020, CIMC Finance Co., Ltd., a subsidiary of the Group, continuously strengthened centralized management level of the funds, improved the financial services and increased the financial support for the Group's industries while ensuring the overall fund security and sufficient liquidity of the Group through implementation of various measures. For the first three quarters, the total amount of new capital investment exceeded RMB14.0 billion, which effectively met the capital needs of the Group. Meanwhile, the types of financial products were continuously enriched. CIMC Finance Co., Ltd. completed the first forward sale and settlement of foreign exchange business in August, which marked the real initiation of the foreign exchange derivatives business of CIMC Finance Co., Ltd., and will be helpful for improving the Group's foreign exchange risk management capacity and lowering the foreign exchange trade cost of the Group. CIMC Financial Leasing Co., Ltd. firmly 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 according to the Group’s strategic planning for special periods, in an effort to secure a stable business development for the Group’s manufacturing segment. From the aspect of risk, it stuck to the strategy of “quality first, strict risk control” and continuously optimized and improved the comprehensive risk management system to ensure the safety of assets. From the aspect of funds, it enhanced the cooperation relationship with external financial institutions, further explored asset securitization models and further develop a diversified financing system and financing capability. CIMC’s offshore engineering asset management business generally remained stable with nine contracted leases being performed normally. In particular, the “Deepsea Yantai” semi-submersible drilling platform secured another contract from Neptune Energy, a leading oil and gas company in Norway, in relation to the operation of three wells. It is planned to operate in the Fenja oil field in the North Sea of Norway in 2021. The number of alternative wells in the original contract has also increased from 5 to 10. The “Blue Whale No. I” ultra-deep water drilling platform continued to operate in the Lingshui 17-2 gas field in the South China Sea. Several jack-up drilling platforms in the Bohai Bay and the Gulf of Mexico were operating stably.

In the first three quarters of 2020, as COVID-19 epidemic was effectively contained in China, automobile, chemical, rubber and multimodal transport industries, among others, began to recover in the third quarter. In order to meet the demands of customers, the Group planned for its unit load business ahead of time and increased the scale of asset investment. In addition, through deep binding with core customers and providing them with solutions that reduce costs and enhance efficiency, the Group’s customer stickiness was increased.

Material changes and the reasons

Unit: RMB thousand

Balance sheet items	30 September 2020	31 December 2019	Changes in percentage terms	Reasons for the material changes
Cash at bank and on hand	16,170,002	9,714,792	66.45%	Mainly due to the increase in operating payments received from January to September 2020.
Investment properties	7,097,476	2,769,715	156.25%	Mainly due to the reclassification and adjustment from inventories to investment properties from January to September 2020.
Right-of-use assets	1,900,484	971,211	95.68%	Mainly due to the additional lease of Life Financial City project under industrial city business from January to September 2020.
Lease Liabilities	1,771,341	667,964	165.19%	Mainly due to the additional lease of Life Financial City project under industrial city business from January to September 2020.
Other equity instruments	6,161,160	4,007,545	53.74%	Mainly due to issuing perpetual bonds by the Group from January to September 2020.
Current portion of non-current liabilities	4,647,956	9,616,415	(51.67%)	Mainly due to current portion of non-current liabilities of the Group due for repayment from January to September 2020.
Other non-current liabilities	2,170,450	1,383,021	56.94%	Mainly due to the issuance of private placement notes (PPN) by CIMC Industry & City, a subsidiary of the Group, from January to September 2020.

Unit: RMB thousand

Income statement items	January to September 2020	January to September 2019	Changes in percentage terms	Reasons for the material changes
Financial expenses-net	1,266,486	843,408	50.16%	Mainly due to the impact of interest income and expense and exchange from January to September 2020.
Gains on fair value changes	(49,175)	(350,168)	85.96%	Mainly due to the decrease in losses from changes in the fair value of derivative instruments from January to September 2020.
Gains on disposals of assets	109,993	47,839	129.92%	Mainly due to the disposal of fixed assets from January to September 2020.
Non-operating income	114,910	349,712	(67.14%)	Mainly due to the impact of recognition of compensation for demolition and resettlement of Yangzhou CIMC Tong Hua Special Vehicles Co., Ltd. last year.
Investment income	515,219	96,186	435.65%	Mainly due to the impact of recognition of adjustment by equity method of Taiziwan Shangrong Real Estate and Taiziwan Shangtai Real Estate and the gains from disposal of stocks of Qingdao Port from January to September 2020.

3.2 Progress and impacts of significant events and the analysis of solutions

3.2.1 Progress of significant events during and after the Reporting Period

- (1) On 6 July 2020, the eighth meeting in 2020 of the ninth session of the Board of the Company reviewed and approved the Insider Registration and Management System of China International Marine Containers (Group) Co., Ltd. (《中國國際海運集裝箱（集團）股份有限公司內幕信息知情人登記管理制度》) and 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 full texts of revised Insider Registration and Management System of China International Marine Containers (Group) Co., Ltd. and Information Disclosure Management System of China International Marine Containers (Group) Co., Ltd., both as amended, were published on Cninfo website (www.cninfo.com.cn) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 6 July 2020.

- (2) On 7 July 2020, the Company has completed the issuance of the third tranche of super & short-term commercial papers of the Company for 2020 (the “**Tranche III Super & Short-term Commercial Papers**”). The proceeds raised from the Tranche III Super & Short-term Commercial Papers were fully received on 7 July 2020. The issuance amount of the Tranche III Super & Short-term Commercial Papers was RMB2.0 billion and the issue rate was 1.6% per annum. Ping An Bank Co., Ltd. is the lead underwriter of the Tranche III Super & Short-term Commercial Papers. For relevant information, please refer to the announcement published on Cninfo website (www.cninfo.com.cn) and the Company’s website (www.cimc.com) (Announcement No.: [CIMC]2020-050) and the announcement published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 7 July 2020.
- (3) On 22 July 2020, the Company and Xiang Shan Hua Jin Industrial Investment Partnership (Limited Partnership) (象山華金實業投資合夥企業(有限合夥)) (“**Xiang Shan Hua Jin**”) entered into the equity transfer agreement with Shanghai Tai Fu Xiang Zhong Equity Investment Fund Partnership (Limited Partnership) (上海太富祥中股權投資基金合夥企業(有限合夥)) (“**Tai Fu Xiang Zhong**”). On the same date, the Company and Xiang Shan Hua Jin entered into the share confirmation with respect to the transfer of Target Shares. Pursuant to the equity transfer agreement and the share confirmation, the Company decided to purchase from Tai Fu Xiang Zhong 63,493,475 shares held in CIMC Vehicles at RMB6.80 per share for a consideration of RMB431,755,630. Upon completion of the transaction, the Company will hold approximately 57.42% equity interest in CIMC Vehicles (Group) Co., Ltd. (中集車輛 (集團) 股份有限公司) (“**CIMC Vehicles**”) and CIMC Vehicles will remain as a non-wholly owned subsidiary of the Company. The transaction was considered and approved at the ninth meeting of the ninth session of the Board of the Company in 2020. The independent Directors of the Company have executed prior review and issued independent opinions. The transaction does not need to be submitted to the general meeting of the Company for consideration and approval. For relevant details, please refer to the announcement published on Cninfo website (www.cninfo.com.cn) and the Company’s website (www.cimc.com) (Announcement No.: [CIMC]2020-052) and the announcement published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 22 July 2020.

- (4) 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 in 2020 of the ninth session of the Board of the Company. 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**”) formulated in accordance with the operation scheme is RMB200 million, the duration of which is five years. Such matter has been considered and approved at the 2019 AGM, the first class meeting of A Shareholders for 2020 and the first class meeting of H Shareholders for 2020. As of 30 June 2020, the establishment of the first phase of the trust plan under the Operation Scheme was completed and named as “CITIC Trust • Zhong Cui Trust Project Phase 202001 (中信信託 • 中萃信託項目202001期)”. During the Reporting Period, the H Shares of the Company purchased by the Partnership under the first phase of the trust plan have been disclosed monthly. For relevant information, please refer to the announcements published on Cninfo website (www.cninfo.com.cn) and the Company’s website (www.cimc.com) (Announcement Nos.: [CIMC]2020-008, [CIMC]2020-009, [CIMC]2020-036, [CIMC]2020-047, [CIMC]2020-055, [CIMC]2020-075 and [CIMC]2020-079) and the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 23 March 2020, 1 June 2020, 22 June 2020, 30 June 2020, 3 August 2020, 3 September 2020 and 30 September 2020.
- (5) On 6 May 2020 and 15 May 2020, the initial public offering of RMB ordinary shares (A Shares) within the PRC, listing and trading of the shares on the ChiNext Market of the Shenzhen Stock Exchange by CIMC Vehicles (the “**A-share Issue**”) was considered and approved at the board of directors of CIMC Vehicles, a majority-owned subsidiary of the Company, and a supplemental circular regarding the A-share Issue and other relevant resolutions has been disclosed. On 19 June 2020, the A-share Issue and other relevant resolutions was considered and approved at the sixth meeting of the ninth session of the Board of the Company. The independent Directors of the Company have executed prior review and issued independent opinions on the A-share Issue. On 22 June 2020, the A-share Issue and other relevant resolutions was considered and approved at the CIMC Vehicles AGM and the CIMC Vehicles Class Meetings. On 31 July 2020, CIMC Vehicles received an acceptance notice from the Shenzhen Stock Exchange, and its A Share Prospectus has been published on the website for disclosure of information on the approval for offering and listing on the ChiNext Market of the Shenzhen Stock Exchange (<http://listing.szse.cn>). 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]2020-031, [CIMC]2020-032, [CIMC]2020-037, [CIMC]2020-043, [CIMC]2020-044, [CIMC]2020-052, [CIMC]2020-053 and [CIMC]2020-054) and the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 6 May 2020, 15 May 2020, 2 June 2020, 19 June 2020, 22 June 2020, 22 July 2020 and 2 August 2020.

- (6) On 6 August 2020, the tenth meeting of the ninth session of the Board of the Company in 2020 reviewed and approved that Country Garden Real Estate Group Co., Ltd. (“**Country Garden**”) will pay the Additional Capital of RMB1,606,124,427 to CIMC Industry & City, an indirect non-wholly owned subsidiary of the Company, and the corresponding Additional Capital to the equity value of uncompleted parts of Qianhai Projects (if any) will be increased to a maximum of RMB39,012,616. Upon the completion of the transaction, the equity interests in CIMC Industry & City held by Country Garden will be increased from 25% to 30%. The independent Directors of the Company have executed prior review and issued independent opinions. The matter has been considered and approved at the first extraordinary general meeting of the Company for 2020. 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]2020-057, [CIMC]2020-058 and [CIMC]2020-082) and the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 6 August 2020 and 9 October 2020.
- (7) On 12 August 2020, the Company, Shenzhen CIMC Intelligent Technology Co., Ltd. (“**CIMC Intelligent**”, a subsidiary of the Company), Shenzhen Southern CIMC Containers Manufacture Co., Ltd., a wholly-owned subsidiary of the Company, and Dongjie Intelligent (Shenzhen) Co., Ltd. (東傑智能(深圳)有限公司) (“**Shenzhen Dongjie**”) signed the Equity Transfer Agreement Regarding Shenzhen CIMC Intelligent Technology Co., Ltd. (the “**Equity Transfer Agreement**”). Pursuant to the Equity Transfer Agreement, the Group intends to transfer its 55% equity interest in CIMC Intelligent to an independent third party, Shenzhen Dongjie, for a transaction consideration of RMB49.50 million. Upon completion of the transaction, the Company’s equity interest in CIMC Intelligent will be reduced from 68% to 13%, and CIMC Intelligent will cease to be a subsidiary of the Company. At the same time, upon completion of the transaction, the Company’s loan amounting to RMB15 million to CIMC Intelligent constitutes the external financial assistance. As stipulated in the Equity Transfer Agreement, the relevant parties shall repay the principal and interest in one lump sum within three months from the date of equity transfer in this transaction (bearing interest based on annualized interest rate of 6%). For relevant details, please refer to the announcement published on Cninfo website (www.cninfo.com.cn) and the Company’s website (www.cimc.com) (Announcement No.: [CIMC]2020-059) and the announcement published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 12 August 2020.

- (8) CIMC Enric Investment Holdings (Shenzhen) Ltd.*(中集安瑞科投資控股(深圳)有限公司) (“**Enric Shenzhen**”) received certain litigation documents served by the Jiangsu Province High People’s Court*(江蘇省高級人民法院), including a notice of response to action [(2018) Su Min Chu No.37]* ([2018)蘇民初37號]) and a writ of summons in December 2018, pursuant to which, the plaintiff SOEG PTE LTD (“**SOEG**”) sued the defendant Enric Shenzhen, and petitioned the court to: 1) order Enric Shenzhen to pay SOEG the remaining balance of the equity transfer of RMB153,456,000; 2) order Enric Shenzhen to bear the attorney fee loss of RMB50,000 incurred by SOEG; 3) order Enric Shenzhen to bear the costs of this case. The court hearing of the litigation had commenced in September 2019. Recently, the Nantong Intermediate Court has made the first-instance judgment: 1) the claim made by the plaintiff SOEG has been dismissed; 2) the case acceptance fee of RMB809,330 shall be borne by the plaintiff SOEG; 3) if the judgment is not accepted, the plaintiff SOEG and the defendant Enric Shenzhen may submit an appeal to the Nantong Intermediate Court*(南通市中級法院) within 30 days and 15 days, respectively, from the date the judgment is served, and may provide the copies of the appeal in the same number as that of the parties involved. The appeal (if any) will proceed at the Jiangsu Province High People’s Court, and the case acceptance fee for the appeal shall be prepaid to the Jiangsu Province High People’s Court according to the “Measures for Payment of Litigation Costs”*(《訴訟費用交納辦法》). Enric Shenzhen received the SOEG petition served by the Nantong Intermediate People’s Court of Jiangsu Province*(江蘇省南通市中級人民法院) in August 2020, and the case will then be transferred to the Jiangsu Province High People’s Court for second instance. 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]2020-041 and [CIMC]2020-060) and the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 31 January 2019, 15 June 2020 and 12 August 2020.

- (9) According to the capital increase agreement dated 18 August 2020, Qujiang Cultural Industry Investment paid the tentative proposed additional capital price of RMB2,351,531,106.75 to CIMC Industry & City, an indirect non-wholly owned subsidiary of the Company, of which, RMB90,940,737.86 will be used to subscribe for the registered capital of CIMC Industry & City correspondingly, and RMB2,260,590,368.89 is proposed to be transferred to the capital reserve of CIMC Industry & City. Upon completion of the transaction, the registered capital of CIMC Industry & City will be increased to RMB454,703,689.29, Qujiang Cultural Industry Investment will hold 20% equity interest in CIMC Industry & City. As of the date of signing the agreement, CIMC Industry & City is an indirect non-wholly owned subsidiary of the Company, in which the Company holds 61.5% equity interest. Upon completion of the capital increase by Country Garden, the Company will hold 57.4% equity interest in CIMC Industry & City, and upon completion of the capital increase by Qujiang Cultural Industry Investment, the percentage of equity interest held by the Company in CIMC Industry & City will be decreased to 45.92%. Upon the completion of the transaction, the scope of the Company's consolidated statements will be changed. CIMC Industry & City will no longer be an indirect non-wholly owned subsidiary of the Company, instead, it will become an associate of the Company. In addition, as certain directors and senior management of the Group will hold directorship on the new board of directors of CIMC Industry & City, according to the Shenzhen Listing Rules, CIMC Industry & City will also constitute a related party of the Company under the Shenzhen Listing Rules. After CIMC Industry & City introduces the strategic investor, there are still fund transfer between the Company with, and provision of related party guarantees to, CIMC Industry & City. Such matters stated above have been considered and approved by the eleventh meeting in 2020 of the ninth session of the Board of the Company and the first extraordinary general meeting of the Company in 2020. The independent Directors have issued review opinions in advance. For relevant details, please refer to the announcements published on Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcement Nos.: [CIMC]2020-063, [CIMC]2020-064 and [CIMC]2020-082) and the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 18 August 2020 and 9 October 2020.

- (10) On 18 August 2020, the Company received notices from COSCO SHIPPING Development Co., Ltd. (“**COSCO SHIPPING**”), Broad Ride Limited and Promotor Holdings Limited, being shareholders of the Company, whom have been proposing to transfer part of their shareholdings in the Company. On 25 August 2020, COSCO Container Industries Limited (“**COSCO Industries**”) and Long Honour Investments Limited (“**Long Honour**”), both being wholly-owned subsidiaries of COSCO SHIPPING, together with Broad Ride Limited and Promotor Holdings Limited, as the four shareholders, and Shenzhen Capital Operation Group Co., Ltd. (“**Shenzhen Capital Group**”) entered into the Letter of Intent on Transfer of Shares of China International Marine Containers (Group) Co., Ltd., pursuant to which the four shareholders agreed to transfer part or all of their respective shares held in the Company to Shenzhen Capital Group and its designated wholly-owned subsidiary. On 12 October 2020, each of Shenzhen Capital (Hong Kong) Container Investment Co., Ltd. (深圳資本 (香港) 集裝箱投資有限公司) (“**Shenzhen Capital (Hong Kong)**”) and Shenzhen Capital Group, COSCO Industries, Long Honour, COSCO SHIPPING, Broad Ride Limited and Promotor Holdings Limited entered into the Share Transfer Agreement. Upon the transfer, COSCO Industries will still hold 168,606,212 A Shares of the Company (representing 4.69% of the total share capital of the Company as of the date of signing the agreement), and Long Honour, Broad Ride Limited and Promotor Holdings Limited will no longer hold shares of the Company; Shenzhen Capital Group and its subsidiary, Shenzhen Capital (Hong Kong), will hold 350,000,000 A Shares and 719,089,532 H Shares of the Company, respectively, representing 29.74% of the total share capital of the Company as of the date of signing the agreement in aggregate, and will become the Company’s largest shareholder. There is still no controlling shareholder or actual controller of the Company upon the completion of this share transfer. Given the conditions for the agreement becoming effective and the conditions precedent to the closing in this share transfer, there is a risk that the agreement will not take effect due to the failure to meet the effective conditions or this share transfer cannot be closed due to the failure to meet the conditions precedent. This share transfer is subject to the procedures, including the consideration and approval of relevant resolutions at the general meeting of COSCO SHIPPING, the approval of this share transfer from the State Council and the State-owned Assets Supervision and Administration Commission of the People’s Government of Shenzhen Municipal, as well as approval of, filing with, or exemption from, the National Development and Reform Commission, the competent commerce authorities and the Shenzhen Branch of the State Administration of Foreign Exchange or its authorized agencies in respect of such matters as overseas investment and outbound fund transfer, e.g. the acceptance of H Shares and payment of the consideration thereof by Shenzhen Capital (Hong Kong). 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]2020-062, [CIMC]2020-066 and [CIMC]2020-085) and the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 18 August 2020, 25 August 2020 and 12 October 2020.

- (11) The twelfth meeting of the ninth session of the Board of the Company in 2020 held on 27 August 2020 considered and approved that: 1) Mr. MAI Boliang, current executive Director, has been elected as the Chairman of the ninth session of the Board, with effect from 27 August 2020; 2) Mr. DENG Weidong and Mr. GAO Xiang have been nominated as additional candidates for directorships of the ninth session of the Board, and Mr. GAO Xiang has been appointed as President of the Company, with effect from 27 August 2020; and 3) the Board has appointed members of the committees. The nomination of Mr. DENG Weidong and Mr. GAO Xiang as additional Directors of the ninth session of the Board has been considered and approved at the first extraordinary general meeting of the Company in 2020. On 9 October 2020, the election of Mr. HU Xianfu, a Director, as an additional vice-chairman of the Company was considered and approved at the sixteenth meeting for 2020 of the ninth session of the Board of the Company and members of committees of the Board were determined at the meeting. 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]2020-067, [CIMC]2020-072, [CIMC]2020-082 and [CIMC]2020-083) and the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 27 August 2020 and 9 October 2020.
- (12) On 16 September 2020, the Company intends to amend certain provisions of the Articles of Association, the Rules of Procedure for the General Meetings, the Rules of Procedures for the Board of Directors and the Rules of Procedures for the Supervisory Committee as considered and approved at the thirteenth meeting in 2020 of the ninth session of the Board of the Company. This matter has been considered and approved at the thirteenth meeting in 2020 of the ninth session of the Board of the Company and the 2020 First Extraordinary General Meeting. The full text of relevant rules has been disclosed publicly. For relevant information, please refer to announcements published on Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcement Nos.: [CIMC]2020-076 and [CIMC]2020-082) and the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 16 September 2020 and 9 October 2020.
- (13) On 28 September 2020 (after trading hours), the joint offerors (among them, one party is Sharp Vision Holdings Limited, a wholly-owned subsidiary of the Company) requested the board of directors of CIMC-TianDa Holdings Company Limited (“**CIMC-TianDa**”) to make a proposal to scheme shareholders and option holders of CIMC-TianDa in relation to the proposed privatization of CIMC-TianDa by way of agreement in accordance with Article 86 of the Cayman Islands Company Law. For relevant information, please refer to the announcement published by the Company on 8 October 2020 (Announcement No.: [CIMC]2020-080) and the announcement published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 4 October 2020.

- (14) On 11 October 2019, the Company issued the Announcement on Extending the Time for the Book Building on 2019 Public Offering of Corporate Bonds (Tranche I) of China International Marine Containers (Group) Co., Ltd. for Qualified Investors; on 14 October 2019, the Company issued the Announcement on the Coupon Rate of 2019 Public Offering of Corporate Bonds (Tranche I) of China International Marine Containers (Group) Co., Ltd. for Qualified Investors; on 15 October 2019, the Company issued the Announcement on the Results of 2019 Public Offering of Corporate Bonds (Tranche I) of China International Marine Containers (Group) Co., Ltd. for Qualified Investors; on 21 October 2019, the Company issued the Announcement on the 2019 Public Offering of Corporate Bonds (Tranche I) of China International Marine Containers (Group) Co., Ltd. for Qualified Investors to be Listed on the Shenzhen Stock Exchange. The actual issuance size of this tranche of bonds is RMB2 billion with a final coupon rate of 3.63%. On 11 October 2020, the Company disclosed the Announcement on the 2020 Dividend Payment in respect of 2019 Public Offering of Corporate Bonds (Tranche I) for Qualified Investors. For relevant information, please refer to announcements published on Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) and the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 11 October 2019, 14 October 2019, 15 October 2019, 21 October 2019 and 11 October 2020.
- (15) On 20 October 2020, after consideration and approval by the seventeenth meeting for 2020 of the ninth session of the Board of the Company, as the term of the Share Option Incentive Scheme of China International Marine Containers (Group) Co., Ltd. (the “**Share Option Incentive Scheme**”) expired on 27 September 2020 and the last trading day was 25 September 2020, according to the relevant rules of the Share Option Incentive Scheme and mandate granted at the general meeting, the Board agreed to cancel a total of 9,554,240 unexercised and expired share options of the A share options during the second exercisable period. For relevant information, please refer to announcements published on Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcement Nos.: [CIMC]2020-087, [CIMC]2020-088 and [CIMC]2020-089) and the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 20 October 2020.

3.2.2 Progress of the Group in establishment of internal control in the Reporting Period

In the first three quarters of 2020, the Group made smooth progress in various important tasks with respect to internal control management: the Group has (1) promoted the inspection mechanism for key risks in special periods, sorting out inspection issues in categories, and sending them to various functional departments to strengthen management and control; (2) strengthened collaboration with various sectors, and promoted the special rectification on 15 major risks, so as to solve business difficulties from the deep level of organization, mechanism and process, such as connected transaction risk control special project, engineering management informatization special project, etc.; (3) focused on “three highs and one big” (high risk, high value, high frequency and big data) field, exploring digital risk control modeling and using big data and AI technology to transform and upgrade towards pre-warning, in-event monitoring, and digital-driven auditing; (4) continued to develop risk control guidelines, case collections and test question banks, strengthening the risk and responsibility awareness of employees in key positions, and building a grid-based risk control management structure, such as the completion of preparing Outsourcing Business Risk Control Guidelines, Sales Risk Control Guidelines, etc.; (5) commenced the annual self-evaluation on internal control of the Group, deployed the enterprises to conduct classified management for risk at different levels, and carry out test and rectification according to the requirements for supervision and information disclosure of listed companies as well as the Measures on Self-evaluation of CIMC Group's Internal Control.

3.2.3 Implementation of A Share(s) share option incentive scheme of the Company in the Reporting Period

In order to establish and improve the incentive-constraint mechanism and effectively combine the interests of shareholders, the Company and its employees, a “Share Option Incentive Scheme (Draft) of China International Marine Containers (Group) Co., Ltd. (Revision)” (the “**A Share(s) Share Option Incentive Scheme**”) was considered and approved at the extraordinary general meeting of the Company on 17 September 2010. According to the scheme, the grant of registration for the first tranche of 54,000,000 share options (the “**First Tranche of Share Options**”) and the second tranche of 6,000,000 reserved share options (the “**Second Tranche of Share Options**”) was completed on 26 January 2011 and 17 November 2011, respectively, by the Company.

On 12 May 2015, upon the consideration and approval at the eighth meeting of the seventh session of the Board of the Company in 2015, the second exercisable period for the First Tranche of Share Options met the exercise conditions and were actually exercisable from 2 June 2015 to 27 September 2020 with the total exercisable options amounting to 39,660,000 options. On 9 October 2015, upon the consideration and approval at the fourteenth meeting of the seventh session of the Board of the Company in 2015, the second exercisable period for the Second Tranche of Share Options met the exercise conditions and were actually exercisable from 24 October 2015 to 27 September 2020 with the total exercisable options amounting to 4,132,500 options. On 24 June 2020, upon consideration and approval at the seventh meeting of the ninth session of the Board of the Company in 2020, after the implementation of the annual dividend distribution plan of the Company for 2019 being accomplished, the exercise price of the First Tranche of Share Options was adjusted to RMB7.94/per share option, and that of the Second Tranche of Share Options was adjusted to RMB12.55/per share option.

During the Reporting Period, a total of 10,509,208 options were exercised under the A Share(s) Share Option Incentive Scheme, representing 17.95% of the total amount (adjusted), among which, a total of 10,509,208 options of the second exercisable period for the First Tranche of Share Options were exercised, and a total of 0 options of the second exercisable period for the Second Tranche of Share Options were exercised. The implementation of the A Share(s) Share Option Incentive Scheme has no material impact on the Company’s financial position and operating results during the Reporting Period and in the future.

On 20 October 2020, as the term of the A Share(s) Share Option Incentive Scheme expired on 27 September 2020 and the last trading day was 25 September 2020, according to the relevant rules of the A Share(s) Share Option Incentive Scheme and the mandate granted at the general meeting and as considered and approved at the seventeenth meeting of the ninth session of the Board of the Company for 2020, the Board agreed to cancel a total of 9,554,240 A Share(s) share options expired and unexercised during the second exercisable period. For relevant information, please refer to the announcements published on Cninfo website (www.cninfo.com.cn) and the Company’s website (www.cimc.com) (Announcement No.: [CIMC]2020-087, [CIMC]2020-088 and [CIMC]2020-089) and the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) by the Company on 20 October 2020.

3.2.4 Repurchase, sale or redemption of securities

Progress in the implementation of share repurchase

Applicable Not Applicable

Progress in the implementation of reducing shareholding via share repurchase by way of centralized bidding

Applicable Not Applicable

3.3 Overdue and outstanding undertakings made by the undertaking parties including the de facto controller of the Company, shareholders, connected parties, bidders and the Company during the Reporting Period

Applicable Not Applicable

There are no overdue and outstanding undertakings made by the undertaking parties including the de facto controller of the Company, shareholders, connected parties, bidders and the Company during the Reporting Period.

3.4 Estimate on the operating results in 2020

Warnings and explanations for the forecast of potential losses in the cumulative net profit from the beginning of the year to the end of the next Reporting Period or significant changes therein compared to the corresponding period last year.

Applicable Not Applicable

3.5 Securities investment

Applicable Not Applicable

Unit: RMB thousand

Type of securities	Stock code	Abbreviation of stock name	Initial investment cost	Accounting measurement model	Book value at the beginning of the year	Profit or loss from changes in fair value from the beginning of the year to the end of the Reporting Period	Cumulative changes in fair value recognised in equity	Purchase from the beginning of the year to the end of the Reporting Period	Sale from the beginning of the year to the end of the Reporting Period	Profit or loss from the beginning of the year to the end of the Reporting Period	Book value at the end of the Reporting Period	Classification in accounts	Source of funding
H Shares	6198	Qingdao Port	128,589	Measured at fair value	200,206	(63,201)	-	-	166,315	40,910	-	Financial assets held for trading	Self-owned funds
Other securities investments held at the end of the Reporting Period			-	-	-	-	-	-	-	-	-		
Total			<u>128,589</u>		<u>200,206</u>	<u>(63,201)</u>	<u>-</u>	<u>-</u>	<u>166,315</u>	<u>40,910</u>	<u>-</u>		
Disclosure date of announcement in relation to the consideration and approval of securities investments by the Board			Nil										
Disclosure date of announcement in relation to the consideration and approval of securities investments by the shareholders' general meeting (if any)			Nil										

3.6 Entrusted wealth management

Applicable Not applicable

No entrusted wealth management incurred by the Company during the Reporting Period.

3.7 Investment in derivatives

✓ Applicable □ Not Applicable

Unit: RMB thousand

Name of derivatives investment operator	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 year	Purchase from the beginning of the year to the end of the Reporting Period	Sale from the beginning of the year to the end of 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 from the beginning of the year to the end of the Reporting Period	
HSBC, Standard Chartered and other banks	Nil	No	Foreign exchange forward contract	-	2019/5/20	2022/10/31	10,675,492	-	-	-	17,447,250	42.26%	208,943
HSBC	Nil	No	Foreign exchange option contract	-	2020/2/24	2021/4/21	42,886	-	-	-	12,185	0.03%	123
Standard Chartered, Deutsche Bank and other banks	Nil	No	Interest rate swap contract	-	2016/7/5	2022/3/7	14,023,609	-	-	-	13,960,705	33.81%	(183,079)
Haitong Futures Co., Ltd.	Nil	No	Steel futures contract		2020/6/15	2021/1/15	-	-	-	-	3,754	0.01%	8
Total							<u>24,741,987</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,423,894</u>	<u>76.11%</u>	<u>25,995</u>

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)	26 March 2020
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 September 2020, the derivative financial instruments held by the Group were mainly foreign exchange forward contracts, interest rate swap contracts, foreign exchange option contracts and futures contracts. The risks of interest rate swap contracts were closely related to the fluctuations of interest rate. The risks carried by foreign exchange forward contracts were connected with the market risks relating to exchange rates and the Group's cash flow certainty of foreign currency revenues in the future. The Group's control measures on the derivative financial instruments were mainly reflected in: making prudent selection and determination on the type and quantity of newly-added derivative financial instruments; as for derivatives transactions, the Group formulated rigorous internal approval systems and business operational processes, and clarified the approval and authorisation procedures for all levels involved, so as to control the associated risks.
Changes in market prices or product fair values of derivatives invested during the Reporting Period, where specific methods and relevant assumptions and parameters used shall be disclosed in the analysis of fair values of derivatives	From January to September 2020, the Group's profit or loss arising from changes in fair values of the derivative financial instruments was RMB 25.995 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 steel 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 approval process is compliant with the requirements of the laws and regulations and the Articles of Association and without prejudice to the interests of the Company and the shareholders, in particular, the minority shareholders.

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

Applicable Not Applicable

Date of reception	Mode of reception	Type of party received	Brief description on research
28 August 2020	Live conference	Institutional and small and medium investor	2020 interim results
1 September 2020	Telephone communication	Institution(UBS)	Principal business performance, investment progress, recent industrial developments and industry outlook

3.9 Non-compliant external guarantees

Applicable Not Applicable

The Company did not make any non-compliant external guarantees during the Reporting Period.

3.10 Utilization of the funds of the listed Company for non-operating purposes by the controlling shareholder and its related parties

Applicable Not Applicable

There was no utilization of the funds of the listed Company for non-operating purposes by the controlling shareholder and its related parties during the Reporting Period.

4 FINANCIAL STATEMENTS

4.1 Financial statements

4.1.1 Consolidated balance sheet (unaudited)

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

Unit: RMB thousand

Assets	30 September 2020	31 December 2019
Current assets:		
Cash at bank and on hand	16,170,002	9,714,792
Financial assets held for trading	156,654	415,503
Derivative financial assets	355,735	100,980
Notes receivables	789,124	636,619
Accounts receivables	17,794,605	18,394,971
Receivables financing	1,060,249	1,236,504
Advances to suppliers	3,439,326	2,887,353
Other receivables	7,824,995	7,591,488
Inventories	38,906,587	41,302,279
Contract assets	1,997,516	1,946,010
Assets held for sale	–	93,102
Current portion of non-current assets	4,183,766	4,294,669
Other current assets	1,728,467	1,408,857
Total current assets	94,407,026	90,023,127
Non-current assets:		
Other debt investments	–	31,272
Long-term receivables	12,645,207	13,777,669
Long-term equity investments	5,947,453	5,363,574
Other equity investments	1,331,337	1,373,385
Other non-current financial assets	12	74,445
Investment properties	7,097,476	2,769,715
Fixed assets	36,613,106	37,849,258
Construction in progress	10,409,328	9,827,563
Intangible assets	5,131,836	5,157,551
Right-of-use assets	1,900,484	971,211
Development expenditures	111,398	94,078
Goodwill	2,253,403	2,182,326
Long-term prepaid expenses	649,816	753,154
Deferred tax assets	1,786,321	1,800,265
Other non-current assets	19,740	58,928
Total non-current assets	85,896,917	82,084,394
TOTAL ASSETS	180,303,943	172,107,521

4.1.1 Consolidated balance sheet (unaudited) (Continued)

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

Unit: RMB thousand

	30 September 2020	31 December 2019
Liabilities and shareholders' equity		
Current liabilities:		
Short-term borrowings	15,271,021	17,557,197
Derivative financial liabilities	523,097	352,167
Notes payables	2,800,770	2,581,139
Accounts payables	13,805,160	12,745,264
Advances from customers	18,499	40,683
Contract liabilities	11,579,468	9,000,821
Employee benefits payable	3,125,503	3,441,555
Taxes payable	2,091,301	1,851,771
Other payables	13,725,385	11,877,217
Provisions	1,366,261	1,482,975
Current portion of non-current liabilities	4,647,956	9,616,415
Other current liabilities	81,701	4,106
Total current liabilities	69,036,122	70,551,310
Non-current liabilities:		
Long-term borrowings	36,745,854	30,918,302
Debentures payable	8,010,693	8,014,049
Lease Liabilities	1,771,341	667,964
Long-term payables	223,169	108,227
Deferred income	1,264,319	1,096,605
Deferred tax liabilities	4,299,867	4,330,065
Other non-current liabilities	2,170,450	1,383,021
Total non-current liabilities	54,485,693	46,518,233
Total liabilities	123,521,815	117,069,543

4.1.1 Consolidated balance sheet (unaudited)(Continued)

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

Unit: RMB thousand

	30 September 2020	31 December 2019
Shareholders' equity:		
Share capital	3,595,014	3,584,504
Other equity instruments	6,161,160	4,007,545
Including: Perpetual bonds	6,161,160	4,007,545
Capital reserve	4,800,536	4,881,311
Other comprehensive income	1,574,137	1,715,326
Surplus reserve	3,582,343	3,582,343
Undistributed profits	<u>21,573,660</u>	<u>21,482,857</u>
Total equity attributable to shareholders and other equity holders of the Company	<u>41,286,850</u>	<u>39,253,886</u>
Minority interests	<u>15,495,278</u>	<u>15,784,092</u>
Total shareholders' equity	<u>56,782,128</u>	<u>55,037,978</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>180,303,943</u>	<u>172,107,521</u>

*Legal representative's
authorised person:*
Mai Boliang

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

*The head of the accounting
department:*
Zeng Han

4.1.2 Balance sheet of the parent company (unaudited)

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

Unit: RMB thousand

Assets	30 September 2020	31 December 2019
Current assets:		
Cash at bank and on hand	1,667,391	1,576,298
Derivative financial assets	23,476	4,781
Notes receivables	–	100
Other receivables	26,424,848	25,625,655
Other current assets	–	96
Total current assets	<u>28,115,715</u>	<u>27,206,930</u>
Non-current assets:		
Other equity investments	623,487	728,037
Long-term equity investments	13,958,320	12,836,563
Investment properties	117,347	117,347
Fixed assets	128,441	133,544
Construction in progress	48,978	43,687
Intangible assets	87,731	89,776
Long-term prepaid expenses	6,933	10,280
Deferred tax assets	556	56,075
Total non-current assets	<u>14,971,793</u>	<u>14,015,309</u>
TOTAL ASSETS	<u><u>43,087,508</u></u>	<u><u>41,222,239</u></u>

4.1.2 Balance sheet of the parent company (unaudited)(Continued)

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

Unit: RMB thousand

	30 September 2020	31 December 2019
Liabilities and shareholders' equity		
Current liabilities:		
Short-term borrowings	3,552,548	6,460,000
Derivative financial liabilities	—	3,379
Employee benefits payable	142,521	342,521
Taxes payable	9,963	23,792
Other payables	1,455,693	755,251
Current portion of non-current liabilities	—	800,000
Other current liabilities	—	—
Total current liabilities	5,160,725	8,384,943
Non-current liabilities:		
Long-term borrowings	4,506,000	3,409,000
Debentures payable	8,000,000	8,000,000
Deferred income	11,565	14,680
Provisions	18,680	18,680
Total non-current liabilities	12,536,245	11,442,360
Total liabilities	17,696,970	19,827,303

4.1.2 Balance sheet of the parent company (unaudited)(Continued)

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

Unit: RMB thousand

	30 September 2020	31 December 2019
Shareholders' equity:		
Paid-up capital (or share capital)	3,595,014	3,584,504
Other equity instruments	6,161,160	4,007,545
Including: Perpetual bonds	6,161,160	4,007,545
Capital reserve	2,831,352	2,758,230
Other comprehensive income	365,950	470,500
Surplus reserve	3,582,343	3,582,343
Undistributed profits	<u>8,854,719</u>	<u>6,991,814</u>
Total shareholders' equity	<u>25,390,538</u>	<u>21,394,936</u>
Total liabilities and shareholders' equity	<u>43,087,508</u>	<u>41,222,239</u>
<i>Legal representative's authorised person:</i> Mai Boliang	<i>The person in charge of accounting affairs:</i> Zeng Han	<i>The head of the accounting department:</i> Zeng Han

4.1.3 Consolidated income statement for the Reporting Period (unaudited)

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

Unit: RMB thousand

Items	For the Period from 1 July to 30 September 2020	For the Period from 1 July to 30 September 2019
I. Revenue	24,160,147	18,942,542
Less: Cost of sales	20,536,508	16,269,371
Taxes and surcharges	138,628	112,538
Selling and distribution expenses	507,144	528,925
General and administrative expenses	1,121,117	1,075,922
Research and development expenses	424,813	361,850
Financial expenses – net	592,213	282,389
Including: Interest expenses	340,056	706,312
Interest income	(79,723)	(295,596)
Assets impairment losses	18,550	8,156
Credit impairment losses	32,848	(8,830)
Add: Other income	149,050	44,062
Investment income	396,936	6,978
Including: Share of profit of associates and joint ventures	275,246	11,521
Gains/(losses) on fair value changes	288,312	(146,985)
Gains/(losses) on disposals of assets	47	(6,979)
II. Operating profit	1,622,671	209,297
Add: Non-operating income	31,425	183,853
Less: Non-operating expenses	25,706	25,521
III. Total profit	1,628,390	367,629
Less: Income tax expenses	410,076	248,207
IV. Net profit	1,218,314	119,422
Classified by business continuity		
Net profit from continuing operations	1,218,314	119,422
Net profit from discontinued operations	–	–
Classified by ownership		
Net profit attributable to shareholders and other equity holders of the Company	880,358	(43,502)
Minority interests	337,956	162,924

4.1.3 Consolidated income statement for the Reporting Period (unaudited)(Continued)

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

Unit: RMB thousand

Items	For the Period from 1 July to 30 September 2020	For the Period from 1 July to 30 September 2019
V. Other comprehensive (loss)/income, net of tax	(56,530)	297,456
Attributable to shareholders and other equity holders of the Company	(2,537)	132,724
(I) Items that may not be reclassified to profit or loss	132,850	(448)
Changes in fair value of other equity investments	132,850	(448)
(II) Items that may be reclassified to profit or loss	(135,387)	133,172
Changes in fair value of other debt investments	-	181
Currency translation differences	(135,387)	132,991
Minority interests	(53,993)	164,732
VI. Total comprehensive income	1,161,784	416,878
Attributable to shareholders and other equity holders of the Company	877,821	89,222
Minority interests	283,963	327,656
VII. Earnings per share		
(I) Basic earnings per share (RMB)	0.2239	(0.0261)
(II) Diluted earnings per share (RMB)	0.2238	(0.0272)

Legal representative's
authorised person:
Mai Boliang

The person in charge of
accounting affairs:
Zeng Han

The head of the accounting
department:
Zeng Han

4.1.4 Income statement of the parent company for the Reporting Period (unaudited)

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

Unit: RMB thousand

Item	For the Period from 1 July to September 30 2020	For the Period from 1 July to September 30 2019
I. Revenue	63,232	51,803
Less: Cost of sales	-	-
Taxes and surcharges	1,966	1,082
General and administrative expenses	55,652	68,349
Research and development expenses	-	-
Financial expenses-net	309,389	(161,474)
Including: Interest expenses	181,487	216,652
Interest income	(150,594)	(208,670)
Add: Other income	21,926	1,076
Investment income	2,056,942	4,746,168
Gains/(losses) on fair value changes	23,101	(12,810)
Gains/(losses) on disposals of assets	<u>1</u>	<u>(216)</u>
II. Operating profit	1,798,195	4,878,064
Add: Non-operating income	311	-
Less: Non-operating expenses	<u>176</u>	<u>-</u>
III. Total profit	1,798,330	4,878,064
Less: Income tax expenses	<u>43,275</u>	<u>(1,936)</u>
IV. Net profit	1,755,055	4,880,000
Classified by business continuity		
Net profit from continuing operations	1,755,055	4,880,000
Net profit from discontinued operations	<u>-</u>	<u>-</u>
V. Other comprehensive income, net of tax	<u>-</u>	<u>-</u>
VI. Total comprehensive income	<u>1,755,055</u>	<u>4,880,000</u>

Legal representative's
authorised person:
Mai Boliang

The person in charge of
accounting affairs:
Zeng Han

The head of the accounting
department:
Zeng Han

4.1.5 Consolidated income statement from the beginning of the year to the end of the Reporting Period (unaudited)

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

Unit: RMB thousand

Item	For the Period from 1 January to 30 September 2020	For the Period from 1 January to 30 September 2019
I. Revenue	63,591,954	61,660,271
Less: Cost of sales	54,902,740	53,216,581
Taxes and surcharges	480,495	442,585
Selling and distribution expenses	1,438,862	1,481,906
General and administrative expenses	3,201,316	3,265,113
Research and development expenses	1,013,898	899,507
Financial expenses-net	1,266,486	843,408
Including: Interest expenses	1,231,817	1,581,096
Interest income	(290,913)	(667,267)
Assets impairment losses	35,390	8,027
Credit impairment losses	125,121	41,968
Add: Other income	507,669	472,781
Investment income	515,219	96,186
Including: Share of profit of associates and joint ventures	330,137	36,585
(Losses) on fair value changes	(49,175)	(350,168)
Gains on disposals of assets	109,993	47,839
II. Operating profit	2,211,352	1,727,814
Add: Non-operating income	114,910	349,712
Less: Non-operating expenses	56,522	69,741
III. Total profit	2,269,740	2,007,785
Less: Income tax expenses	809,208	786,143
IV. Net profit	1,460,532	1,221,642
Classified by business continuity		
Net profit from continuing operations	1,460,532	1,221,642
Net profit from discontinued operations	-	-
Classified by ownership		
Net profit attributable to shareholders and other equity holders of the Company	697,561	636,327
Minority interests	762,971	585,315

4.1.5 Consolidated income statement from the beginning of the year to the end of the Reporting Period (unaudited)(Continued)

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

Unit: RMB thousand

Item	For the Period from 1 January to 30 September 2020	For the Period from 1 January to 30 September 2019
V. Other comprehensive (loss)/income, net of tax	(178,972)	622,075
Attributable to shareholders and other equity holders of the Company	(141,189)	438,664
(1) Items that may not be reclassified to profit or loss	(42,138)	34,545
Changes in fair value of other equity investments	(42,138)	34,545
(2) Items that may be reclassified to profit or loss	(99,051)	404,119
Changes in fair value of other debt investments	5	530
Gains of cash flow hedges	-	(142)
Revaluation gain on the date of transfer from owner-occupied properties to investment properties	-	116,819
Currency translation differences	(99,056)	286,912
Minority interests	(37,783)	183,411
VI. Total comprehensive income	1,281,560	1,843,717
Attributable to shareholders and other equity holders of the Company	556,372	1,074,991
Minority interests	725,188	768,726
VII. Earnings per share		
(1) Basic earnings per share (RMB)	0.1398	0.1357
(2) Diluted earnings per share (RMB)	0.1398	0.1343

*Legal representative's
authorised person:*
Mai Boliang

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

*The head of the accounting
department:*
Zeng Han

4.1.6 Income statement of the parent company from the beginning of the year to the end of the Reporting Period (unaudited)

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

Unit: RMB thousand

Item	For the Period from 1 January to 30 September 2020	For the Period from 1 January to 30 September 2019
I. Revenue	151,486	176,336
Less: Cost of sales	–	2,130
Taxes and surcharges	5,105	4,364
General and administrative expenses	137,770	211,847
Research and development expenses	2,964	1,774
Financial expenses, net	201,149	(119,961)
Including: Interest expenses	600,049	685,404
Interest income	(544,370)	(620,279)
Add: Other income	26,759	6,602
Investment income	2,691,415	6,285,685
Gains/(losses) on fair value changes	22,074	(13,149)
Gains/(losses) on disposal of assets	301	(216)
II. Operating profit	2,545,047	6,355,104
Add: Non-operating income	311	–
Less: Non-operating expenses	176	2
III. Total profit	2,545,182	6,355,102
Less: Income tax expenses	55,518	2,779
IV. Net profit	2,489,664	6,352,323
Classified by business continuity		
Net profit from continuing operations	2,489,664	6,352,323
Net profit from discontinued operations	–	–
V. Other comprehensive income, net of tax	(104,550)	92,202
(I) Items that may not be reclassified to profit or loss	(104,550)	(24,617)
Changes in fair value of other equity investments	(104,550)	(24,617)
(II) Items that may be reclassified to profit or loss	–	116,819
Revaluation gain on the date of transfer from owner-occupied properties to investment properties	–	116,819
VI. Total comprehensive income	2,385,114	6,444,525

Legal representative's
authorised person:
Mai Boliang

The person in charge of
accounting affairs:
Zeng Han

The head of the accounting
department:
Zeng Han

4.1.7 Consolidated cash flow statement from the beginning of the year to the end of the Reporting Period (unaudited)

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

Unit: RMB thousand

Items	For the Period from 1 January to 30 September 2020	For the Period from 1 January to 30 September 2019
I. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	64,613,344	65,692,536
Refund of taxes and surcharges	1,284,212	2,078,549
Cash received relating to other operating activities	<u>2,389,680</u>	<u>1,257,664</u>
Sub-total of cash inflows from operating activities	<u>68,287,236</u>	<u>69,028,749</u>
Cash paid for goods and services	48,349,411	57,852,644
Cash paid to and on behalf of employees	6,063,231	5,674,399
Payments of taxes and surcharges	2,075,831	2,935,997
Cash paid relating to other operating activities	<u>3,407,067</u>	<u>3,086,594</u>
Sub-total of cash outflows from operating activities	<u>59,895,540</u>	<u>69,549,634</u>
Net cash flows from operating activities	<u>8,391,696</u>	<u>(520,885)</u>
II. Cash flows from investing activities		
Cash received from disposal of investments	699,688	20,790
Cash received from returns on investments	69,839	221,031
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	240,223	89,080
Net cash received from disposal of subsidiaries	67,969	103,080
Cash received relating to other investing activities	<u>—</u>	<u>—</u>
Sub-total of cash inflows from investing activities	<u>1,077,719</u>	<u>433,981</u>
Cash paid to acquire fixed assets, intangible assets and other long-term assets	1,603,573	2,796,674
Cash paid to acquire investments	377,873	1,667,208
Net cash paid to acquire subsidiaries	37,431	429,365
Cash paid relating to other investing activities	<u>231,273</u>	<u>—</u>
Sub-total of cash outflows from investing activities	<u>2,250,150</u>	<u>4,893,247</u>
Net cash flows from investing activities	<u>(1,172,431)</u>	<u>(4,459,266)</u>

4.1.7 Consolidated cash flow statement from the beginning of the year to the end of the Reporting Period (unaudited)(Continued)

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

Unit: RMB thousand

Items	For the Period from 1 January to 30 September 2020	For the Period from 1 January to 30 September 2019
III. Cash flows from financing activities		
Cash received from capital contributions	231,768	1,649,864
Including: Cash received from capital contributions by minority shareholders of subsidiaries	203,796	1,649,864
Cash received from borrowings	41,869,415	39,311,199
Cash received from issuing bonds	–	2,000,000
Cash received from issuing perpetual bonds	2,000,000	–
Cash received relating to other financing activities	1,447,485	<u>2,799,050</u>
Sub-total of cash inflows from financing activities	45,548,668	<u>45,760,113</u>
Cash repayments of borrowings	42,880,323	39,578,131
Cash repayments of perpetual bonds	–	–
Cash payments for distribution of dividends or profits and interest expenses	2,968,774	3,849,073
Cash payments relating to other financing activities	855,858	<u>113,657</u>
Sub-total of cash outflows from financing activities	46,704,955	<u>43,540,861</u>
Net cash flows from financing activities	(1,156,287)	<u>2,219,252</u>
IV. Effect of foreign exchange rate changes on cash and cash equivalents	(146,483)	<u>(118,534)</u>
V. Net increase/(decrease) in cash and cash equivalents	5,916,495	(2,879,433)
Add: Cash and cash equivalents at the beginning of the year	8,659,885	<u>10,532,753</u>
VI. Cash and cash equivalents at the end of the Reporting Period	14,576,380	<u>7,653,320</u>

*Legal representative's
authorised person:*
Mai Boliang

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

*The head of the accounting
department:*
Zeng Han

4.1.8 Cash flow statement of the parent company from the beginning of the year to the end of the Reporting Period (unaudited)

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

Unit: RMB thousand

Items	For the Period from 1 January to 30 September 2020	For the Period from 1 January to 30 September 2019
I. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	417,441	323,507
Refund of taxes and surcharges	–	709
Cash received relating to other operating activities	<u>10,931,228</u>	<u>16,612,754</u>
Sub-total of cash inflows from operating activities	<u>11,348,669</u>	<u>16,936,970</u>
Cash paid for goods and services	–	2,356
Cash paid to and on behalf of employees	275,255	122,242
Payments of taxes and surcharges	51,885	56,824
Cash paid relating to other operating activities	<u>10,451,826</u>	<u>16,411,794</u>
Sub-total of cash outflows from operating activities	<u>10,778,966</u>	<u>16,593,216</u>
Net cash flows from operating activities	<u>569,703</u>	<u>343,754</u>
II. Cash flows from investing activities		
Cash received from returns on investments	1,292,336	4,805,318
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1,969	48
Net cash received from disposal of subsidiaries	<u>–</u>	<u>44,075</u>
Sub-total of cash inflows from investing activities	<u>1,294,305</u>	<u>4,849,441</u>
Cash paid to acquire fixed assets, intangible assets and other long-term assets	16,899	16,191
Cash paid to acquire investments	–	–
Net cash paid to acquire subsidiaries	<u>1,121,756</u>	<u>200,602</u>
Sub-total of cash outflows from investing activities	<u>1,138,655</u>	<u>216,793</u>
Net cash flows from investing activities	<u>155,650</u>	<u>4,632,648</u>

4.1.8 Cash flow statement of the parent company from the beginning of the year to the end of the Reporting Period (unaudited)(Continued)

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

Unit: RMB thousand

Items	For the Period from 1 January to 30 September 2020	For the Period from 1 January to 30 September 2019
III. Cash flows from financing activities		
Cash received from capital contributions	27,972	–
Cash received from borrowings	19,260,443	16,780,000
Cash received from issuing bonds	–	2,000,000
Cash received from issuing perpetual bonds	<u>2,000,000</u>	<u>–</u>
Sub-total of cash inflows from financing activities	<u>21,288,415</u>	<u>18,780,000</u>
Cash repayments of borrowings	20,980,895	21,276,000
Cash payments for distribution of dividends or profits and interest expenses	934,668	2,130,772
Cash payments relating to other financing activities	<u>6,889</u>	<u>16,790</u>
Sub-total of cash outflows from financing activities	<u>21,922,452</u>	<u>23,423,562</u>
Net cash flows from financing activities	<u>(634,037)</u>	<u>(4,643,562)</u>
IV. Effect of foreign exchange rate changes on cash	<u>(224)</u>	<u>(3,746)</u>
V. Net increase in cash and cash equivalents	91,092	329,094
Add: Cash and cash equivalents at the beginning of the year	<u>452,966</u>	<u>721,395</u>
VI. Cash and cash equivalents at the end of the Reporting Period	<u><u>544,058</u></u>	<u><u>1,050,489</u></u>

*Legal representative's
authorised person:*
Mai Boliang

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

*The head of the accounting
department:*
Zeng Han

4.2 Description of adjustments to financial statements

4.2.1 Information related to the adjustments to relevant items of the financial statements at the beginning of the year in respect of the first implementation of the new revenue standards and New Lease Standards since 2020

Applicable Not Applicable

4.2.2 Notes on the retrospective adjustment of comparative data of the previous years due to the first implementation of the new revenue standards and New Lease Standards since 2020

Applicable Not Applicable

4.3 Auditor's report

Whether the third quarterly report has been audited

Yes No

The Third Quarterly Report of 2020 of the Company has not been audited.

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

Hong Kong, 27 October 2020

As at the date of this announcement, the Board of the Company comprises Mr. MAI Boliang (Chairman) as an executive director; Mr. HU Xianfu (Vice-chairman), Mr. LIU Chong (Vice-chairman), Mr. DENG Weidong and Mr. MING Dong as non-executive directors; Mr. GAO Xiang as an executive director; and Mr. HE Jiale, Mr. PAN Zhengqi and Ms. LUI FUNG Mei Yee, Mabel as independent non-executive directors.