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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)

FIRST QUARTERLY REPORT OF 2020

This announcement is published by China International Marine Containers (Group) Co., Ltd. (the “**Company**”) in the Mainland of China pursuant to the Rules Governing the Listing of Stocks on The Shenzhen Stock Exchange 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 “**Listing Rules**”) and the inside information provisions (as defined under the 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 supervisory committee and the directors, supervisors and senior management of the Company warrant that the information contained in this first quarterly report of 2020 (the “**Report**”) is true, accurate and complete and there are no misrepresentation, misleading statements or material omissions, and jointly and severally accept responsibility.
- 1.2 The Report was approved at the fifth meeting of the ninth session of the board of directors of the Company (the “**Board**”) in 2020. The Company currently has eight directors, and all of the eight 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. Wang Hong, legal representative and chairman of the Board, and Mr. Mai Boliang, executive director, CEO and president, and Mr. Zeng Han, the person in charge of accounting affairs, the head of accounting department and the chief financial officer of the Company, warrant the truthfulness, accuracy and completeness of 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**” or the “**Period**” in the Report means the three months started from 1 January 2020 and ended on 31 March 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 CHANGES IN SHAREHOLDERS

2.1 Key accounting data and financial indicators

During the Reporting Period, whether the Company made retrospective adjustments to or restated the accounting data of previous years due to changes in accounting policies and correction of accounting errors

Yes No

Unit: RMB thousand

	At the end of the Reporting Period (31 March 2020)	At the end of last year (31 December 2019)	Changes from the end of last year to the end of Reporting Period
	The Reporting Period (from January to March 2020)	Corresponding period of last year (from January to March 2019)	Changes from the corresponding period of last year to the Reporting Period
Total assets	175,842,864	172,107,521	2.17%
Equity attributable to shareholders and other equity holders of the parent company	38,746,011	39,253,886	(1.29%)
Revenue	15,852,177	19,099,547	(17.00%)
Net profit attributable to shareholders and other equity holders of the parent company	(641,450)	405,681	(258.12%)
Net profit attributable to shareholders and other equity holders of the parent company after deducting non-recurring profit/loss	(539,324)	331,460	(262.71%)
Net cash flows from operating activities	(1,443,955)	(599,434)	(140.89%)
Basic earnings per share (RMB)	(0.1929)	0.0993 ^(Note)	(294.26%)
Diluted earnings per share (RMB)	(0.1929)	0.0992 ^(Note)	(294.46%)
Weighted average return on net assets	(1.98%)	1.06%	(3.04%)

Notes: On 28 June 2019, the implementation of the 2018 equity distribution of the Company was completed and 2 new shares were issued to all Shareholders for every ten shares being held by way of conversion of capital reserve. According to the requirements of Article 13 of the Accounting Standards for Business Enterprises No. 34 – Earnings Per Share, the Company has recalculated the earnings per share for 2019 based on the adjusted number of shares.

Non-recurring profit/loss items and amount

Unit: RMB thousand

Item	Amount from the beginning of this year to the end of the Reporting Period
Gain from disposal of non-current assets	58,690
Government grants recognised in profit or loss for the current period	97,543
Gains or losses from changes in fair value arising from holding financial assets held for trading, and investment income arising from disposal of other equity investments, other debt investments, and other non-current financial assets, and gains or losses from changes in fair values of investment properties subsequently measured at fair value, except for the effective hedging activities relating to the Group's ordinary activities	(311,073)
Net gains from disposal of long-term equity investments	34,581
Other non-operating income and expenses other than the above items	31,626
Effect of income tax	13,450
Effect of minority interests (after tax)	<u>(26,943)</u>
Total	<u><u>(102,126)</u></u>

Reasons and explanations on the Company defining non-recurring profit/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/loss items which are listed as non-recurring profit/loss items under the requirements of the Explanatory Announcement No.1 as recurring profit/loss items.

Applicable Not applicable

There are no non-recurring profit/loss items as defined or listed under the Explanatory Announcement No.1 being defined as recurring profit/loss items by the Company 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

2.2.1 Total number of ordinary shareholders and shareholders of preference shares with restored voting rights and shareholdings of top ten shareholders

Total number of ordinary shareholders as at the end of the Reporting Period	81,010, including 80,981 holders of A Shares and 29 registered holders of H Shares.	Total number of shareholders of preference shares with restored voting rights as at the end of the Reporting Period (if any)	Nil
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Shareholdings of top ten shareholders as at the end of the Reporting Period

Unit: share

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	58.17%	2,085,974,076	-	-	-
COSCO Container Industries Limited <i>(Note 2)</i>	Foreign legal person	14.46%	518,606,212	-	-	-
China Securities Finance Corporation Limited	State-owned legal person	2.37%	84,959,608	-	-	-
Central Huijin Asset Management Ltd.	State-owned legal person	1.27%	45,592,560	-	-	-
CITIC – Prudential Life Insurance Co., Ltd. – participating products <i>(Note 3)</i>	Domestic non-state-owned legal person	0.31%	11,152,383	-	-	-
Zhong Ou Fund – Agricultural Bank – Zhong Ou CSI Financial Assets Management Program	Domestic non-state-owned legal person	0.31%	11,102,880	-	-	-
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	-	-	-
Dacheng Fund – Agricultural Bank – Dacheng CSI Financial Assets Management Program	Domestic non-state-owned legal person	0.31%	10,980,360	-	-	-
Yinhua Fund – Agricultural Bank – Yinhua CSI Financial Assets Management Program	Domestic non-state-owned legal person	0.30%	10,912,920	-	-	-
E Fund – Agricultural Bank -E Fund China Securities and Financial Assets Management Program	Domestic non-state-owned legal person	0.30%	10,842,719	-	-	-

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

Name of shareholders	Number of shares without selling restrictions held	Types of shares	Number
HKSCC Nominees Limited (<i>Note 1</i>)	2,059,676,340	Overseas-listed foreign shares	2,059,676,340
	26,297,736	RMB ordinary shares	26,297,736
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
CITIC – Prudential Life Insurance Co., Ltd. – participating products (<i>Note 3</i>)	11,152,383	RMB ordinary shares	11,152,383
Zhong Ou Fund – Agricultural Bank – Zhong Ou CSI Financial Assets Management Program	11,102,880	RMB ordinary shares	11,102,880
ICBC Credit Suisse Fund – Agricultural Bank – ICBC Credit Suisse CSI Financial Assets Management Program	11,054,160	RMB ordinary shares	11,054,160
Dacheng Fund – Agricultural Bank – Dacheng CSI Financial Assets Management Program	10,980,360	RMB ordinary shares	10,980,360
Yinhua Fund – Agricultural Bank – Yinhua CSI Financial Assets Management Program	10,912,920	RMB ordinary shares	10,912,920
E Fund – Agricultural Bank – E Fund CSI Financial Assets Management Program	10,842,719	RMB ordinary shares	10,842,719
Explanation on the relationship or concerted action of the above mentioned shareholders	Unknown		
Description of 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 31 March 2020, HKSCC Nominees Limited held a total of 2,085,974,076 shares of the Company on behalf of these shareholders, including 26,297,736 A shares and 2,059,676,340 H shares. The H shares include (but not limited to) 880,429,220 H shares held by China Merchants Group Limited through its subsidiaries (including China Merchants (CIMC) Investment Limited), 295,010,617 H shares held by China COSCO Shipping Corporation Limited through its subsidiaries (including 30,386,527 H shares held by Long Honour Investments Limited and 264,624,090 H shares held by COSCO Container Industries Limited) and 144,782,580 H shares held by CITIC – Prudential Life Insurance Co., Ltd.

Note 2: As at 31 March 2020, COSCO Container Industries Limited held 518,606,212 A shares of the Company in addition to the above mentioned 264,624,090 H shares of the Company which were registered under HKSCC Nominees Limited (see Note 1).

Note 3: As at 31 March 2020, CITIC – Prudential Life Insurance Co., Ltd. held 11,152,383 A shares of the Company in addition to the above mentioned 144,782,580 H shares of the Company which were registered under HKSCC Nominees Limited (see Note 1).

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

Yes No

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

2.2.2 Total number of shareholders of preference shares of the Company and shareholding of top ten shareholders of preference shares

Applicable Not applicable

3 SIGNIFICANT EVENTS

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

In the first quarter of 2020, the world was faced with a more severe and complex economic situation due to COVID-19 that had swept the globe. Because of the adjustment of foreign trade policies announced by the United States and the uncertainty of China-US trade development, the economy was subject to the pressure of slower growth, which was added by the fact that China stayed at a critical stage of economic transition. The slump of domestic commodity prices and the volatility of financial market had a significant impact on the economy, and China's economy was heavily hit. Although COVID-19 was effectively contained in China, it further spread in other countries and regions, and the development in other countries was subject to high uncertainty, all of which had a more complex impact on China's economy. While COVID-19 significantly affected the economy, China's economy still showed great resilience and potential, and the trend of long-term positive development will remain unchanged.

In response to the current severe situation faced by the Group amid such a special period, the Group has adopted a series of key measures: establishing a "Special Period Decision-making Committee" as the temporary highest decision-making body of the Group at the daily operation level; further enhancing the awareness of risk management and control, and implementing the management and control measures; strengthening the Group's coordination among various business segments during the special period to ensure all segments work in concert; and adopting a dynamic working mechanism. Organizations, processes, plans and operation routines previously set up by the Group under normal state all have to be adjusted to meet the specific goals set for the special period, and special operation approaches shall be adopted, to ensure that the Group will be able to survive this crisis safely.

During the Reporting Period, all business segments of the Group were subjected to the impact of the COVID-19 outbreak in varying degrees, in this context, sales performance failed to live up to expectations. As a result, the Group recorded a year-on-year decline in revenue for the first quarter and a loss in performance. During the Reporting Period, the Group's revenue amounted to RMB15.852 billion (same period of last year: RMB19.100 billion), representing a year-on-year decrease of 17.00%; the net loss attributable to shareholders and other equity holders of the parent company amounted to RMB641 million (same period of last year: RMB406 million of net profit attributable to shareholders and other equity holders of the parent company), representing

a year-on-year decrease of 258.12%; the basic loss per share amounted to RMB0.1929 per share (same period of last year: basic earnings per share amounting to RMB0.0993 per share), representing a year-on-year decrease of 294.26%. For the details of the operation of the Group's business, please refer to the follows:

Although prices of orders on hand for new containers of the Group's container manufacturing business improved year on year in the first quarter of 2020, enterprises postponed the resumption of work after the Chinese New Year holiday to different extent, an act of cooperation with the government's policies on prevention and control of the spread of COVID-19, and production and management were therefore affected to certain extent. During the Reporting Period, the Group's container manufacturing business achieved an accumulated sales of dry containers of 164,500 TEUs (same period of last year: 229,900 TEUs), representing a year-on-year decrease of approximately 28.45%; an accumulated sales of reefer containers of 25,200 TEUs (same period of last year: 32,600 TEUs), representing a year-on-year decrease of approximately 22.70%. The need for containers decreased due to the impact of COVID-19 on global economy and trading. However, the container market is expected to revert to its normal state in the future upon the stimulus of new fiscal policies of governments and the gradual recovery of economy.

In the first quarter of 2020, the COVID-19 spread worldwide, and the Group's road transportation vehicles business, being no exception, was subjected to its impact. During the Reporting Period, China-based companies under the Group's road transportation vehicles business have basically returned to work and recovered their production. Paying attention to risks related to supply chain and cash flows, the road transportation vehicles business made supply chain deployment and arranged cash flow management worldwide in advance, which ensured the sales, production and delivery of orders from domestic and overseas markets. On the other hand, the Chinese government vigorously promoted investment in new and old infrastructure including 5G, cloud computing and big data, which will be favorable for future market demands for certain infrastructure-oriented vehicles of the road transportation vehicles business segment. The progress in upgrading product modules, improving the lighthouses and initiating marketing transformation will bring great development opportunity for the Group's road transportation vehicles business to realize the in-depth and wider development from semi-trailer manufacturing to semi-trailer manufacturing + service operation.

In the first quarter of 2020, benefiting from global demands for sustainable development and Chinese government's continuous efforts to promote clean energy, especially the application of liquefied natural gas, the Group's clean energy, chemical environment and liquid food business maintained relatively steady market demands. However, the resumption of work of companies under the business segment was affected to some extent by the worldwide spread of COVID-19 during the Reporting Period. We had adopted active measures to ensure that operations were conducted in an orderly manner.

In the first quarter of 2020, in terms of construction under the Group's offshore engineering business, Nordlaks breeding vessel completed the tilt testing and is expected to be loaded and delivered in the second quarter of 2020. The Sweden roll-on roll-off vessel H487 and the Y-TYPE yacht carrier H485 held the kick-off ceremony in March 2020. In terms of new orders: the contracted new orders were valued US\$120 million in total, which mainly included the Yinson Manifold module project contracted with Yinson Bonesia Production BV, and the two new contracts, i.e. orders for the offshore wind power jacket projects of the Three Gorges Corporation (三峽集團) and China Energy Conservation And Environmental Protection Group (中節能集團) contracted with Guangzhou Salvage Bureau under the Ministry of Transport.

In the first quarter of 2020, development of the Group's airport, fire safety and automated logistics systems business is as follows: (1) The airport facilities equipment business: currently, there are sufficient orders in hand. With the domestic situation of the COVID-19 epidemic turned stable, a majority of projects of the Group's boarding bridges and bridge-mounted equipment are currently arranged to be delivered for acceptance and sales recognition as scheduled in the second half of the year. As the epidemic control and prevention moves toward stable development and the government rolls out more policies, the overall demands in the market for airport facilities will witness significant growth. The business segment won the bid for boarding bridges and bridge-mounted equipment project of Clark International Airport in the Philippines in February, with the value of order exceeding RMB70 million. In terms of GSE (Ground Support Equipment) business, our shuttle buses continued to maintain its leading position in the industry, and we were committed to developing other environment-friendly specialty vehicles to cater for the "green airport" requirement. (2) The fire and rescue vehicle business: the strategic layout in market, product and production has been further improved, which lays a solid foundation to step into the industry champion in the next stage. In addition, proactive measures including adjustment of production process and consolidation of supply chain have been adopted to mitigate the impact of the epidemic. (3) The automated logistics systems business: the logistics segment will continue with the integration and foster competitive strengths in the two aspects of professionalism and efficient delivery. (4) The smart parking business: following the success in bidding for the stereo e-bus terminal station project which is the first global initiative in Shenzhen in 2019, the Group is expected to enjoy a great advantage by "mechanically smart stereo bus parking space", which is independently developed by the Group and is the first of its kind in the industry. In the meantime, the Group will actively seek cooperation opportunities or initiate strategic business adjustments to explore new models to realize the value of smart parking business. The major business operated under this segment fall within the sector of new infrastructure which enjoys state investment. Benefiting from the increased state investment in intercity transportation, logistics and municipal infrastructure, there will be more room for future development.

According to statistics from www.cvworld.cn, in the first quarter of 2020, affected by COVID-19, accumulated sales of heavy trucks in the domestic market reached 274,100 vehicles (same period of last year: 325,500 vehicles), representing a year-on-year decrease of 15.79%. During the Reporting Period, with proactive marketing tactics adopted and reasonable arrangement for resumption of work during the epidemic period, the Group's heavy trucks business realized a sales volume of 1,330 vehicles (same period of last year: 991 vehicles), representing a year-on-year increase of 34.21%.

In the first quarter of 2020, the outbreak of COVID-19 had a great impact on the logistics sector and market. Countries hit by the epidemic may be faced with economic downturn, which may lead to declining overall demands for international multimodal transport and project logistics. Consequently, our principal businesses were affected to different extent. Taking various measures, the Group's logistics services business responded actively, controlled the loss and explored opportunities amid the crisis. On the one hand, we organized global transport stations and channels to actively assist Hubei and those who worked hard at the forefront of the fight against the virus by offering free logistics services for the materials for epidemic control and prevention; on the other hand, we kept close touch with clients to ensure the service quality and strengthen the cost management.

In the first quarter of 2020, the progress of project construction under the Group's industrial city development business was affected mainly by the outbreak of COVID-19, and a number of projects failed to satisfy the conditions for completion, acceptance and delivery and therefore became unqualified for revenue recognition. During the Reporting Period, existing projects including the Low-orbit Satellite IoT Industrial Park Project in Guangming New Zone of Shenzhen, Shanghai Baoshan land parcel project and Qianhai pre-initiation project (first phase) were still under orderly and comprehensive construction in full swing.

In the first quarter of 2020, CIMC Finance Co., Ltd. strengthened financial services and actively satisfied the capital needs of the enterprises within the Group. It granted new facilities of over RMB3 billion, representing a year-on-year increase of over 36%, and differentiated favorable financial services were offered to industries that had been greatly affected by the epidemic, thereby offering greater financial support to the Group's industry development. In the meantime, CIMC Finance Co., Ltd. obtained the approval of State Administration of Foreign Exchange to conduct Renminbi and foreign exchange derivatives business and further enhanced its financial service capacity, which will help the Group to further reduce the costs of foreign exchange transactions. CIMC Financial Leasing Co., Ltd. consistently adhered to the strategic positioning of "integration of industry and finance", focused on the Group's principal business, improved its organization ability and professional capability through specialized subsidiary operating, furthered consolidated the operational and financial synergies with each business segment of the Group, continuously improved and optimized the comprehensive risk management system, improved the quality of customer base and adjusted the asset portfolio. The COVID-19 outbreak at the beginning of 2020 had a temporary impact on the financial leasing business, and the business volume in the first quarter was lower than the level at the same period of last year but maintained a safe and steady development on the whole. In the first quarter of 2020, the Group's offshore engineering asset management business basically maintained stability under the double pressure of COVID-19 and international oil price. 10 assets with lease contracts were all operated in an orderly manner; the ultra-deep water drilling platform "Blue Whale No. 2" made contribution to the success of the National Natural Gas Hydrate Pilot Production Phase II (可燃冰試採二期項目); the "Deepsea Yantai" semi-submersible drilling platform and the "Offshore Drilling" (「灣鑽」) series jack-up drilling platform maintained orderly operation in the North Sea in Norway, the Caspian Sea and the Bohai Bay. In the meantime, we are taking proactive measures for our offshore engineering asset management business to reduce costs and improve efficiency to resist the downturn pressure, and actively exploring regional markets in the North Sea in Norway and the Gulf of Mexico, aiming at revitalizing and disposing our assets.

In terms of new business development, unitized logistics vehicles, serving as a link throughout the logistics supply chain, are a natural extension of CIMC's multi-logistics equipment business. In March 2020, CIMC Unit Load Holdings Co., Ltd. (中集載具控股有限公司) was officially established, serving as a strategically emerging business unit of the Group. With the development of global smart manufacturing, smart logistics, and digital supply chain, CIMC Unit Load Holdings Co., Ltd. will conform to the trend of unitized vehicle standardization and informatization, and provide customers engaged in domestic and foreign automotive, chemical and other manufacturing industries, as well as fast-moving-style retail, e-commerce-oriented express delivery and pharmaceutical industry with equipment and service solutions integrating "vehicle manufacturing, leasing operation, and multimodal transport". In addition, during the process of domestic and overseas epidemic prevention and control at the beginning of the year, new businesses such as CIMC Modular Building Investment Company Limited and Shenzhen CIMC Cold Chain Technology Co., Ltd. also made an active impact through undertaking emergency medical and treatment facilities in many cities, providing modular cold warehouse for emergency materials and fresh food storage as well as conducting pharmaceutical cold chain transportation, packaging and full-range monitoring.

Material changes and the reasons

Unit: RMB thousand

Balance sheet items	31 March 2020	31 December 2019	Percentage change	Reasons for the material changes
Receivables financing	800,066	1,236,504	(35.30%)	Mainly due to the decreases in notes and receivables at fair value through other comprehensive income in the Reporting Period.
Other current liabilities	2,017,707	4,106	49040.45%	Mainly due to the issuance of the RMB2.0 billion super & short-term commercial papers during the Reporting Period.

Unit: RMB thousand

Income statement items	From January to March 2020	From January to March 2019	Percentage change	Reasons for the material changes
Loss from changes in fair value	(323,112)	(33,884)	(853.58%)	Mainly due to the losses in fair value of financial assets held for trading of RMB47 million and the losses in fair value of derivative instruments of RMB276 million in the Reporting Period.

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

3.2.1 Progress in establishment of internal control of the Group during the Reporting Period

In the first quarter of 2020, in light of the profound impact of COVID-19 on both domestic and overseas political and economic conditions, the Company promptly adjusted the annual risk control plan and determined to adopt risk control strategies that align with corporate strategy and businesses, uphold the risk red line and focus on value creation. Specific measures included: (1) coordinating various resources and promoting the establishment of projects for special management of significant risks, which is based on the requirements and pain points of subordinate business segments/subsidiaries; (2) completing the annual risk assessment and identifying significant and material risks of the Company in 2020 through questionnaires to core cadres, interviews with executives and statistical analysis of external risks and issues identified in internal audits over recent years; (3) completing risk control assessment on directly owned subsidiaries, delegating risk control responsibilities to each member company and relating the risk control assessment results to the performance-based bonus; (4) further developing risk control guidelines, supporting test library and risk control case study collection for sensitive business/management modules to construct a grid management framework for risk control; (5) launching a serial risk control system and completing talent review of risk control audit professionals for 2020 to improve the professionalism of the Company's risk control audit team; (6) completing the development of training programs on the risk control information platform, motivating organizations at all levels to engage in the application and maintenance of the platform, and launching the overseas risk control information platform, both of which focused on the extended analysis of domestic and overseas laws and regulations, risk information and highlights to promote the independent risk management of our domestic and overseas organizations at all levels.

3.2.2 Implementation of the A Share(s) share option incentive scheme of the Company during the Reporting Period

In order to establish and improve the incentive-constraint mechanism, and to effectively and organically integrate the interests of the shareholders, the Company and its employees, an 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 registration for the grant of the first tranche of 54,000,000 share options (the “**First Tranche of Share Options**”) and the second tranche of reservation of 6,000,000 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 in 2015 of the seventh session of the Board, the options of the second exercisable period for the First Tranche of Share Options met the exercise conditions and were actually exercisable starting from 2 June 2015 to 27 September 2020 with the total exercisable options amounting to 39,660,000. On 9 October 2015, upon the consideration and approval at the fourteenth meeting in 2015 of the seventh session of the Board, the options of the second exercisable period for the Second Tranche of Share Options met the exercise conditions and were actually exercisable starting from 24 October 2015 to 27 September 2020 with the total exercisable options amounting to 4,132,500. On 28 June 2019, upon the consideration at the second meeting in 2019 of the ninth session of the Board, after the completion of the implementation of the 2018 dividend distribution proposal of the Company on 28 June 2019, the remaining exercisable options of the second exercisable period for the First Tranche of Share Options amounted to 19,456,488 options and the remaining exercisable options of the second exercisable period for the Second Tranche of Share Options amounted to 2,670,660 options. The exercise price of the First Tranche of Share Options was adjusted to RMB8.06 per option, and that of the Second Tranche of Share Options was adjusted to RMB12.67 per option.

During the Reporting Period, a total of 1,570,420 options were exercised under the A Share(s) share option incentive scheme, representing 2.68% of the total options under the share option incentive scheme (adjusted), among which, a total of 1,570,420 options were exercised for the First Tranche of Share Options, and a total of 0 option was exercised for the Second Tranche of Share Options. The implementation of A Share(s) share option incentive scheme has and will have no material impact on the Company's financial conditions and results of operation during the Reporting Period and in the future.

3.2.3 Significant events during and after the Reporting Period

- (1) On 25 February 2020, the Company has completed the issuance of the first tranche of super & short-term commercial papers for 2020 (the “**Tranche I Super & Short-term Commercial Papers**”). The proceeds raised from the Tranche I Super & Short-term Commercial Papers were fully received on 26 February 2020. The issuance amount of the Tranche I Super & Short-term Commercial Papers was RMB2.0 billion and the issue rate was 1.8% per annum. China Development Bank is the lead underwriter of the Tranche I Super & Short-term Commercial Papers, and Bank of Shanghai Co., Ltd. (上海銀行股份有限公司) is the joint lead underwriter of the Tranche I Super & Short-term Commercial Papers. For relevant information, please refer to the announcements published by the Company on Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcement No.: [CIMC] 2020-004) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 26 February 2020.
- (2) On 23 March 2020, as approved at the first meeting in 2020 of the ninth session of the board of the Company, upon the approval of setting up a trust scheme in light of the bonus balance fund operation under the profit sharing scheme and injecting it into the partnership, the operation scheme adopted by the partnership for the purchase of the Company's H shares in the secondary market was approved. The total size of fund for the operation scheme shall not exceed RMB343 million and would be valid for 10 years from the date of the approval by the general meeting. The size of trust scheme (first tranche) under the Trust and Operation Scheme for Surplus Funds from the Profit Sharing Plan of CIMC (Draft) formulated in accordance with the operation scheme is RMB200 million with a term of 5 years. The matter is subject to the consideration of the general meeting of the Company. For relevant information, please refer to the announcements published by the Company on Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcement No.: [CIMC] 2020-008 and [CIMC] 2020-009) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 23 March 2020.
- (3) On 26 March 2020, having communicated with PricewaterhouseCoopers Zhong Tian LLP, the auditor of the Company, the Group made a total provision of RMB6,029,373,000 for the asset impairment for the year 2019 under the principle of prudence for the purpose of reflecting the financial condition and asset value of the Company as at 31 December 2019 in a more truthful and accurate manner. For relevant information, please refer to the announcements published by the Company on Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) (Announcement No.: [CIMC] 2020-013) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 26 March 2020.

- (4) On 26 March 2020, as considered and approved at the second meeting in 2020 of the ninth session of the board of the Company, the non-wholly owned subsidiary of the Company, Shenzhen CIMC Skyspace Real Estate Development Co., Ltd. (“**CIMC Skyspace Real Estate**”) provided guarantees for the financing businesses of related/connected parties including Shenzhen Taiziwan Shangrong Real Estate Co., Ltd. (深圳市太子灣商融置業有限公司) (“**Shangrong Real Estate**”), Shenzhen Taiziwan Shangtai Real Estate Co., Ltd. (深圳市太子灣商泰置業有限公司) (“**Shangtai Real Estate**”), subsidiaries of China Merchants Shekou Industrial Zone Holdings Co., Ltd., and Qujing Zhongbirui Real Estate Development Co., Ltd. (曲靖市中碧瑞房地產開發有限公司) (“**Qujing Zhongbirui**”) which is a subsidiary of Country Garden Real Estate Group Co., Ltd. (碧桂園地產集團有限公司) in proportion to its shareholding. The maximum amounts in respect of guarantees provided by CIMC Skyspace Real Estate to Shangrong Real Estate, Shangtai Real Estate and Qujing Zhongbirui is RMB343 million, RMB343 million and RMB490 million, respectively. For relevant information, please refer to the announcements published by the Company on Cninfo website (www.cninfo.com.cn) and the Company’s website (www.cimc.com) (Announcement No.: [CIMC] 2020–015) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 26 March 2020.
- (5) On 26 March 2020, as considered and approved at the second meeting in 2020 of the ninth session of the board of the Company, the Company proposed to amend certain articles of the Articles of Association of China International Marine Containers (Group) Co., Ltd. and the Rules of Procedures for the General Meetings of China International Marine Containers (Group) Co., Ltd., which is subject to the consideration of the general meeting of the Company. For relevant information, please refer to the announcements published by the Company on Cninfo website (www.cninfo.com.cn) and the Company’s website (www.cimc.com) (Announcement No.: [CIMC] 2020–018) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 26 March 2020.
- (6) On 26 March 2020, as considered and approved at the second meeting in 2020 of the ninth session of the board of the Company, the Company proposed to register and issue medium-term notes in an amount of no more than RMB6 billion, perpetual medium-term notes in an amount of no more than RMB2 billion (also known as “**perpetual notes**”) and super & short-term commercial papers in an amount of no more than RMB8 billion, which is subject to consideration of the general meeting of the Company. For relevant information, please refer to the announcements published by the Company on Cninfo website (www.cninfo.com.cn) and the Company’s website (www.cimc.com) (Announcement No.: [CIMC] 2020–019) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 26 March 2020.
- (7) On 26 March 2020, as considered and approved at the second meeting in 2020 of the ninth session of the board of the Company, the Company proposed to issue the corporate bonds to the qualified investors who satisfy the requirements under the Administrative Measures for the Issuance and Trading of corporate bonds (《公司債券發行與交易管理辦法》), with the issuance size of the corporate bonds in aggregate not exceeding RMB8 billion (inclusive). The matter shall be submitted to the general meeting of the Company for approval and shall be implemented after being approved by China Securities Regulatory Commission, and the matter is subject to the final plan approved by China Securities Regulatory Commission. For relevant information, please refer to the announcements published by the Company on Cninfo website (www.cninfo.com.cn) and the Company’s website (www.cimc.com) (Announcement No.: [CIMC] 2020–020) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 26 March 2020.

- (8) On 13 April 2020, CIMC Skyspace Real Estate has completed the issuance of the first tranche of private placement notes (PPN) for 2020 (the “**Tranche I PPN**”). The proceeds raised from the Tranche I PPN were fully received on 13 April 2020. The actual issuance amount of the Tranche I PPN was RMB500 million and the issue rate was 5.5% per annum. Bank of Shanghai Co., Ltd. is the lead underwriter of the Tranche I PPN, and CSC Financial Co., Ltd. is the joint lead underwriter of the Tranche I PPN. For relevant information, please refer to the announcements published by the Company on Cninfo website (www.cninfo.com.cn) and the Company’s website (www.cimc.com) (Announcement No.: [CIMC] 2020-022) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 13 April 2020.
- (9) On 16 April 2020, CIMC Skyspace Real Estate proposed to provide financial assistance to a connected party, Shenzhen Country Garden Property Investment Co., Ltd. (深圳市碧桂園房地產投資有限公司) (“**Shenzhen Country Garden**”), through its non-wholly owned subsidiaries, Shenzhen Jihong Investment Co., Ltd. (“**Jihong Investment**”) and Shenzhen Jiyuan Investment Co., Ltd. (“**Jiyuan Investment**”). Shenzhen Country Garden will receive the financial assistance of no more than RMB2.258 billion in total in proportion of 30%, including no more than RMB0.474 billion of financial assistance to be provided by Jihong Investment to Shenzhen Country Garden and no more than RMB1.784 billion of financial assistance to be provided by Jiyuan Investment to Shenzhen Country Garden. For relevant information, please refer to the announcements published by the Company on Cninfo website (www.cninfo.com.cn) and the Company’s website (www.cimc.com) (Announcement No.: [CIMC] 2020-025) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 16 April 2020.

Summary of significant events	Date of disclosure	Search index of the tentative announcement disclosure website
Announcement on the Completion of Issuance of 2020 First Tranche of Super & Short-Term Commercial Papers	26 February 2020	www.cninfo.com.cn www.hkexnews.hk www.cimc.com
Announcement on the Trust and Operation Scheme for Surplus Funds from the Profit Sharing Plan of CIMC (Draft)	23 March 2020	
Announcement Regarding the Provisions for Asset Impairment	26 March 2020	
Announcement on Guarantees Provided by CIMC Skyspace Real Estate to Related/ Connected Parties	26 March 2020	
Announcement on Amendments to the Articles of Association of China International Marine Containers (Group) Co., Ltd. and the Rules of Procedures for the General Meetings of China International Marine Containers (Group) Co., Ltd.	26 March 2020	
Announcement on the Proposed Registration and Issuance of Medium-Term Notes, Perpetual Medium-Term Notes and Super & Short-Term Commercial Papers	26 March 2020	
Announcement Regarding Proposal on the Public Issuance of Corporate Bonds	26 March 2020	
Announcement on the Completion of Issuance of 2020 Tranche I PPN by CIMC Skyspace Real Estate	13 April 2020	
Announcement on Provision of Financial Assistance by Subsidiaries to Connected Party	16 April 2020	

Progress in the implementation of share repurchase

Applicable Not applicable

Progress in the implementation of share repurchase reduction via 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 were 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 for the period from January to June 2020

Warnings and explanations of any forecasted losses or significant changes to accumulated net profit made during the period from the beginning of the year to the end of next reporting period compared to the same period of last year

Applicable Not applicable

3.5 Securities investment

Unit: RMB thousand

Type of securities	Stock code	Abbreviation of stock name	Initial Investment cost	Accounting measurement model	Book	Profit or	Accumulated changes in fair value included in equity	Purchased amount in the current period	Sold	Profit	Book	Classification in accounts	Source of shareholding
					value at the beginning of the Reporting Period	loss from changes in the fair value in the current period			amount in the current period	or loss during the Reporting Period	value at the end of the Reporting Period		
H shares	6198	Qingdao Port	128,589	Fair value measurement	200,206	(47,040)	-	-	-	-	156,560	Financial assets held for trading	Self-owned funds
Other securities investments held at the end of the Reporting Period			-	-	-	-	-	-	-	-	-		
Total			128,589	-	200,206	(47,040)	-	-	-	-	156,560		
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

Unit: RMB thousand

Name of derivatives investment operator	Affiliated relations	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	Sales during 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	-	2019/1/17	2021/3/23	10,675,492	-	-	-	13,372,191	34.51%	(93,803)
HSBC, Standard Chartered and other banks	Nil	No	Foreign exchange option contract	-	2019/12/12	2021/3/17	42,886	-	-	-	21,632	0.06%	(168)
Standard Chartered, Deutsche Bank and other banks	Nil	No	Interest rate swap contract	-	2016/7/6	2022/3/9	14,023,609	-	-	-	17,075,091	44.07%	(182,101)
Total				-			24,741,987	-	-	-	30,468,914	78.64%	(276,072)

Source of funds for derivatives investments

Self-owned funds

Litigation case (if applicable)

Not applicable

Disclosure date of announcement in relation to the consideration and approval of 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 positions in derivatives during the Reporting Period and explanations of risk control measures (including but not limited to market risk, liquidity risk, credit risk, operation risk and legal risk etc.)

As of 31 March 2020, the derivative financial instruments held by the Group were mainly foreign exchange forward, interest rate swap and foreign exchange option contracts. The risks of interest rate swap contracts were closely related to the fluctuations of interest rate. The risks carried by foreign exchange forwards were connected with the market risks relating to exchange rates and the Group's cash flow certainty of foreign currency revenues in the future. The Group's control on the derivative financial instruments was mainly reflected in: making prudent selection and determination on the type and quantity of newly-added derivative financial instruments; as to derivatives transactions, the Group developed rigorous internal approval systems and 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 March 2020, the Group's profit or loss arising from changes in fair values of the derivative financial instruments was RMB(276,072,000). Fair values of the derivative financial instruments of the Group were determined based on market quotes of external financial institutions.

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

No

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

The Company invested in exchange rate and interest rate derivatives for the purpose of the day-to-day international business operations of the Company in order to smooth or lower the uncertainty impact on the operations of the Company due to the change in exchange rates and interest rates while adhering to the fundamental principle of value-preserving and prohibiting speculative transaction. The Company has attached great importance and continuously enhanced the management of exchange rate and interest rate derivative transactions as well as developed and continuously improved relevant management systems. The related approval process is compliant with the requirements of the laws and regulations as well as the articles of association of China International Marine Containers (Group) Co., Ltd. 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

Date of reception	Mode of reception	Type of party received	Search index of the basic information researched
27 March 2020	Telephone conferencing	Institutional investor	2019 annual results presentation
27 March 2020	Online webcasting	Institutional investor, individual investor	2019 annual results announcement press conference

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	31 March 2020	31 December 2019
Current Assets:		
Cash at bank and on hand	12,381,774	9,714,792
Financial assets held for trading	397,337	415,503
Derivative financial assets	103,315	100,980
Notes receivable	580,477	636,619
Accounts receivable	18,972,889	18,394,971
Receivables financing	800,066	1,236,504
Advances to suppliers	3,162,295	2,887,353
Other receivables	6,952,545	7,591,488
Inventories	42,797,141	41,302,279
Contract assets	1,955,728	1,946,010
Assets held for sale	93,102	93,102
Current portion of non-current assets	4,347,443	4,294,669
Other current assets	1,483,811	1,408,857
Total current assets	94,027,923	90,023,127
Non-current assets:		
Other debt investments	–	31,272
Long-term receivables	13,574,613	13,777,669
Long-term equity investments	5,401,342	5,363,574
Other equity investments	1,380,892	1,373,385
Other non-current financial assets	–	74,445
Investment properties	2,757,380	2,769,715
Fixed assets	37,706,521	37,849,258
Construction in progress	9,996,164	9,827,563
Right-of-use assets	991,263	971,211
Intangible assets	5,059,256	5,157,551
Development costs	101,173	94,078
Goodwill	2,168,407	2,182,326
Long-term prepaid expenses	752,477	753,154
Deferred tax assets	1,856,211	1,800,265
Other non-current assets	69,242	58,928
Total non-current assets	81,814,941	82,084,394
Total assets	175,842,864	172,107,521

4.1.1 Consolidated Balance Sheet (unaudited) (continued)

Unit: RMB thousand

	31 March 2020	31 December 2019
Liabilities and shareholders' equity		
Current liabilities:		
Short-term borrowings	19,631,670	17,557,197
Derivative financial liabilities	457,515	352,167
Notes payable	2,166,534	2,581,139
Accounts Payable	12,212,223	12,745,264
Advances from customers	40,739	40,683
Contract liabilities	9,506,117	9,000,821
Employee benefits payable	3,070,470	3,441,555
Taxes payable	1,458,773	1,851,771
Other payables	11,527,539	11,877,217
Provisions	1,254,705	1,482,975
Current portion of non-current liabilities	9,742,829	9,616,415
Other current liabilities	2,017,707	4,106
Total current liabilities	<u>73,086,821</u>	<u>70,551,310</u>
Non-current liabilities:		
Long-term borrowings	32,341,997	30,918,302
Debentures payable	8,118,942	8,014,049
Lease liabilities	723,727	667,964
Long-term payables	130,179	108,227
Deferred income	1,187,890	1,096,605
Deferred tax liabilities	4,357,231	4,330,065
Other non-current liabilities	1,351,465	1,383,021
Total non-current liabilities	<u>48,211,431</u>	<u>46,518,233</u>
Total liabilities	<u><u>121,298,252</u></u>	<u><u>117,069,543</u></u>

4.1.1 Consolidated Balance Sheet (unaudited) (continued)

Unit: RMB thousand

	31 March 2020	31 December 2019
Shareholders' equity:		
Share capital	3,586,075	3,584,504
Other equity instruments	4,057,645	4,007,545
Including: Perpetual bonds	4,057,645	4,007,545
Capital reserve	4,905,355	4,881,311
Other comprehensive income	1,823,286	1,715,326
Surplus reserve	3,582,343	3,582,343
Undistributed profits	20,791,307	21,482,857
Total equity attributable to shareholders and other equity holders of the parent company	38,746,011	39,253,886
Minority interests	15,798,601	15,784,092
Total shareholders' equity	54,544,612	55,037,978
Total liabilities and shareholders' equity	175,842,864	172,107,521

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	31 March 2020	31 December 2019
Current assets:		
Cash at bank and on hand	2,522,357	1,576,298
Derivative financial assets	–	4,781
Notes receivable	–	100
Other receivables	27,099,890	25,625,655
Other current assets	<u>96</u>	<u>96</u>
Total current assets	<u>29,622,343</u>	<u>27,206,930</u>
Non-current assets:		
Other equity investments	728,037	728,037
Long-term equity investments	13,336,564	12,836,563
Investment properties	117,347	117,347
Fixed assets	131,163	133,544
Construction in progress	46,548	43,687
Intangible assets	87,635	89,776
Long-term prepaid expenses	8,567	10,280
Deferred tax assets	<u>56,425</u>	<u>56,075</u>
Total non-current assets	<u>14,512,286</u>	<u>14,015,309</u>
Total assets	<u><u>44,134,629</u></u>	<u><u>41,222,239</u></u>

4.1.2 Balance Sheet of the Parent Company (unaudited) (continued)

Unit: RMB thousand

Liabilities and shareholders' equity	31 March 2020	31 December 2019
Current liabilities:		
Short-term borrowings	6,301,164	6,460,000
Derivative financial liabilities	–	3,379
Employee benefits payable	342,521	342,521
Taxes payable	10,203	23,792
Other payables	721,333	755,251
Current portion of non-current liabilities	800,000	800,000
Other current liabilities	2,000,000	–
Total current liabilities	<u>10,175,221</u>	<u>8,384,943</u>
Non-current liabilities:		
Long-term borrowings	4,389,000	3,409,000
Debentures payable	8,000,000	8,000,000
Provision	18,681	18,680
Deferred income	13,734	14,680
Total non-current liabilities	<u>12,421,415</u>	<u>11,442,360</u>
Total liabilities	<u>22,596,636</u>	<u>19,827,303</u>
Shareholders' equity:		
Share capital	3,586,075	3,584,504
Other equity instruments	4,057,645	4,007,545
Including: Perpetual bonds	4,057,645	4,007,545
Capital reserve	2,769,317	2,758,230
Other comprehensive income	470,500	470,500
Surplus reserve	3,582,343	3,582,343
Undistributed profits	7,072,113	6,991,814
Total equity of shareholders	<u>21,537,993</u>	<u>21,394,936</u>
Total liabilities and shareholders' equity	<u>44,134,629</u>	<u>41,222,239</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

4.1.3 Consolidated Income Statement (unaudited)

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

Unit: RMB thousand

Item	January to March 2020	January to March 2019
I. Revenue	15,852,177	19,099,547
Less: Cost of sales	14,181,266	16,525,081
Taxes and surcharges	92,609	160,016
Selling and distribution expenses	442,942	438,859
General and administrative expenses	1,016,722	1,038,485
Research and development expenses	240,730	204,616
Financial expenses – net	358,892	139,255
Including: Interest expenses	453,598	215,256
Interest income	(101,892)	(256,400)
Add: Other income	97,543	57,905
Investment income	57,246	68,569
Including: Share of investment income in associates and joint ventures	10,626	8,868
Loss on changes in fair value	(323,112)	(33,884)
Credit impairment losses	12,206	19,543
Asset impairment losses	7,421	18,231
Gain on disposal of assets	59,681	526
II. Operating profit	(609,253)	648,577
Add: Non-operating revenue	53,566	44,818
Less: Non-operating expense	22,931	6,510
III. Total profit	(578,618)	686,885
Less: Income tax expenses	106,014	175,258
IV. Net profit	(684,632)	511,627
Classified by business continuity		
Net profit from continued operations	(684,632)	511,627
Net profit from discontinued operations	–	–
Classified by ownership		
Net profit attributable to shareholders and other equity holders of the parent company	(641,450)	405,681
Minority interests	(43,182)	105,946

4.1.3 Consolidated Income Statement (unaudited) (continued)

Unit: RMB thousand

Item	January to March 2020	January to March 2019
V. Other comprehensive income/(loss), net of tax	116,587	(11,439)
Other comprehensive income, net of tax, attributable to shareholders and other equity holders of the parent company	107,960	25,374
(I) Items that may not be reclassified to profit or loss	-	86,863
Changes in fair value of other equity investments	-	86,863
(II) Items that may be reclassified to profit or loss	107,960	(61,489)
Changes in fair value of other debt investments	494	295
Other comprehensive income from cash flow hedges	-	(142)
Currency translation differences	107,466	(61,642)
Other comprehensive income, net of tax, attributable to minority interests	8,627	(36,813)
VI. Total comprehensive income	(568,045)	500,188
Attributable to shareholders and other equity holders of the parent company	(533,490)	431,055
Attributable to minority interests	(34,555)	69,133
VII. Earnings per share		
(I) Basic earnings per share (RMB)	(0.1929)	0.0993
(II) Diluted earnings per share (RMB)	(0.1929)	0.0992

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 (unaudited)

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

Unit: RMB thousand

Item	January to March 2020	January to March 2019
I. Revenue	35,631	59,073
Less: Cost of sales	–	2,130
Taxes and surcharges	2,043	2,107
General and administrative expenses	34,928	44,789
Research and development expenses	–	–
Financial expenses – net	(138,733)	172,058
Including: Interest expenses	213,354	238,612
Interest income	(212,431)	(219,166)
Add: Other income	2,990	2,889
Investment income	(8,899)	–
(Loss)/gain on changes in fair value	(1,402)	13,374
Gain on disposal of assets	(33)	–
II. Operating profit	130,049	(145,748)
Add: Non-operating income	–	–
Less: Non-operating expenses	–	–
III. Total profit	130,049	(145,748)
Less: Income tax expense	(350)	4,177
IV. Net profit	130,399	(149,925)
Classified by business continuity		
Net profit from continued operations	130,399	(149,925)
Net profit from discontinued operations	–	–
V. Other comprehensive income, net of tax	–	80,357
Items that may not be reclassified to profit or loss	–	80,357
Changes in fair value of other equity investments	–	80,357
VI. Total comprehensive income	130,399	(69,568)

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 Cash Flow Statement (unaudited)

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

Unit: RMB thousand

Item	January to March 2020	January to March 2019
I. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	16,367,990	20,746,624
Refund of taxes and surcharges	363,849	725,487
Cash received relating to other operating activities	<u>249,350</u>	<u>218,280</u>
Sub-total of cash inflows from operating activities	<u>16,981,189</u>	<u>21,690,391</u>
Cash paid for goods and services	14,877,090	18,452,401
Cash paid to and on behalf of employees	2,101,162	1,941,099
Payments of taxes and surcharges	720,197	1,059,767
Cash paid relating to other operating activities	<u>726,695</u>	<u>836,558</u>
Sub-total of cash outflows from operating activities	<u>18,425,144</u>	<u>22,289,825</u>
Net cash flows from operating activities	<u>(1,443,955)</u>	<u>(599,434)</u>
II. Cash flows from investing activities		
Cash received from disposal of investments	73,743	6,705
Cash received from returns on investments	24,122	7,578
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	221,828	28,782
Net cash received from disposal of subsidiaries	<u>67,969</u>	<u>—</u>
Sub-total of cash inflows from investing activities	<u>387,662</u>	<u>43,065</u>
Cash paid to acquire fixed assets, intangible assets and other long-term assets	436,012	894,101
Cash paid to acquire investments	91,138	253,585
Net cash paid to acquire subsidiaries	<u>—</u>	<u>104,649</u>
Sub-total of cash outflows from investing activities	<u>527,150</u>	<u>1,252,335</u>
Net cash flows from investing activities	<u>(139,488)</u>	<u>(1,209,270)</u>

4.1.5 Consolidated Cash Flow Statement (unaudited) (continued)

Unit: RMB thousand

Item	January to March 2020	January to March 2019
III. Cash flows from financing activities		
Cash received from capital contributions	66,029	62,400
Including: Cash received from capital contributions by minority shareholders of subsidiaries	53,492	62,400
Cash received from borrowings	13,346,038	9,819,785
Cash received relating to other financing activities	115,569	184,604
Sub-total of cash inflows from financing activities	13,527,636	10,066,789
Cash repayments of borrowings	8,581,800	7,698,605
Cash payments for distribution of dividends or profits and interest expenses	581,946	674,030
Cash payments relating to other financing activities	129,930	10,018
Sub-total of cash outflows from financing activities	9,293,676	8,382,653
Net cash flows from financing activities	4,233,960	1,684,136
IV. Effect of foreign exchange rate changes on cash and cash equivalents	(108,575)	(180,459)
V. Net increase/(decrease) in cash and cash equivalents	2,541,942	(305,027)
Add: Cash and cash equivalents at the beginning of the year	8,659,885	10,532,753
VI. Cash and cash equivalents at the end of the period	11,201,827	10,227,726

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 Cash Flow Statement of the Parent Company (unaudited)

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

Unit: RMB thousand

Item	January to March 2020	January to March 2019
I. Cash flows from operating activities		
Cash received from sales of goods and rendering of services	92,851	186,283
Cash received relating to other operating activities	<u>2,408,721</u>	<u>3,721,811</u>
Sub-total of cash inflows from operating activities	<u>2,501,572</u>	<u>3,908,094</u>
Cash paid to and on behalf of employees	31,461	33,431
Payments of taxes and surcharges	28,753	16,403
Cash paid relating to other operating activities	<u>4,047,064</u>	<u>2,354,643</u>
Sub-total of cash outflows from operating activities	<u>4,107,278</u>	<u>2,404,477</u>
Net cash flows from operating activities	<u>(1,605,706)</u>	<u>1,503,617</u>
II. Cash flows from investing activities		
Cash received from disposal of investments	327,824	–
Cash received from returns on investments	4	–
Net cash received from disposal of subsidiaries	<u>–</u>	<u>42,575</u>
Sub-total of cash inflows from investing activities	<u>327,828</u>	<u>42,575</u>
Cash paid to acquire fixed assets and other long-term assets	3,107	435
Net cash paid to acquire subsidiaries	<u>500,000</u>	<u>200,000</u>
Sub-total of cash outflows from investing activities	<u>503,107</u>	<u>200,435</u>
Net cash flows from investing activities	<u>(175,279)</u>	<u>(157,860)</u>

4.1.6 Cash Flow Statement of the Parent Company (unaudited) (continued)

Unit: RMB thousand

Item	January to March 2020	January to March 2019
III. Cash flows from financing activities		
Cash received from capital contributions	12,537	–
Cash received from borrowings	3,421,164	1,890,000
Cash received from issuance of debentures	<u>2,000,000</u>	<u>–</u>
Sub-total of cash inflows from financing activities	<u>5,433,701</u>	<u>1,890,000</u>
Cash repayments of borrowings	2,600,000	1,790,000
Cash payments for distribution of dividends or profits and interest expenses	106,683	95,935
Cash paid relating to other financing activities	<u>147</u>	<u>10,018</u>
Sub-total of cash outflows from financing activities	<u>2,706,830</u>	<u>1,895,953</u>
Net cash flows from financing activities	<u>2,726,871</u>	<u>(5,953)</u>
IV. Effect of foreign exchange rate changes on cash and cash equivalents	<u>172</u>	<u>(3,407)</u>
V. Net increase in cash and cash equivalents	946,058	1,336,397
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 period	<u><u>1,399,024</u></u>	<u><u>2,057,792</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 Adjustments to the financial statements at the beginning of the year of first implementation due to the first implementation of the New Revenue Standards and the New Lease Standards since 2020

Applicable Not applicable

4.2.2 Notes on the retrospective adjustment of comparative data of the previous periods due to the first implementation of the New Revenue Standards and the New Lease Standards since 2020

Applicable Not applicable

4.3 Auditor's report

Whether the first quarterly report has been audited

Yes No

The first quarterly financial report of the Company for 2020 has not been audited.

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

Hong Kong, 29 April 2020

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